

VILLAGE OF WEBBERVILLE
(INGHAM COUNTY)

FINANCIAL STATEMENTS

MARCH 31, 2005

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name VILLAGE OF WEBBERVILLE	County INGHAM
Audit Date 3/31/05	Opinion Date 4/27/05	Date Accountant Report Submitted to State: 11-15-05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

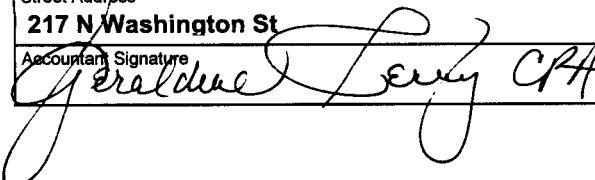
Certified Public Accountant (Firm Name) Demis and Wenzlick, P.C.			
Street Address 217 N Washington St	City Owosso	State MI	ZIP 48867
Accountant Signature 		Date 11-14-05	

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INDEPENDENT AUDITOR'S REPORT

To the Honorable President
and Village Council
Village of Webberville, Michigan

We have audited the accompanying general-purpose financial statements of the Village of Webberville, Michigan, as of and for the year ended March 31, 2005, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Webberville's management. Our responsibility is to express an opinion on the general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and business-type activities as required by the Governmental Accounting Standards Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. GASB 34 requires management's discussion and analysis which also has not been prepared.

In our opinion, except for the non-compliance of GASB 34, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Webberville, Michigan, as of March 31, 2005, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Dennis and Wengrich, P.C.

Certified Public Accountants

Owosso, Michigan
April 27, 2005

VILLAGE OF WEBBERVILLE
COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS,
AND DISCRETELY REPORTED COMPONENT UNITS
MARCH 31, 2005

	Government Fund Types			Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Component
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Unit
ASSETS:									
Cash & Cash Equivalents	207,036	242,825	145,970	678,238	16,505	16,976			284,415
Cert. of Deposit				153,010					
Accrued Int. Rec.				1,833					
Accts. Rec.	2,917	1,060		67,032					
Prepaid Interest									
Assessment Rec.									
Utility Cust. Rec.	8,451								
Other Rec.									
Cable Franchise.									
Due from Other Funds	1,304								
Due from Other Governmental Units						35			392,319
Restricted Assets									
Fixed Assets (Net of Accum. Deprec.)				4,113,437	2,459		1,685,944		
Unamortized Disc. on bonds issued & Financing Costs				88,857					
Amt. to be Provided for General Long Term Debt								654,846	
Total Assets	219,708	243,885	145,970	5,102,407	18,964	17,011	1,685,944	654,846	676,744

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS,
AND DISCRETELY REPORTED COMPONENT UNITS
MARCH 31, 2005

	Government Fund Types			Proprietary Fund Types		Fiduciary Fund Type	Account Groups		
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Component Unit
Liabilities:									
Accounts Payable	75,010	70		948					31,002
Accts. Pay. - Payroll									
Accrued Int. Payable	5,620			58,765					9,786
Payroll/Taxes Payable						15,002			
Retirement Payable						705			
Loan Payable								654,846	
Current Mat. on Long Term Debt				145,000					
Revenue Bonds Payable	20,000			2,060,000					
Due to Other Funds	35					1,304			
Total Liabilities	100,665	70	0	2,264,713	0	17,011	0	654,846	40,888
Fund Equity									
Contributed Capital				1,206,406					
Investment in General Fixed Assets							1,685,944		
Ret. Earnings-Reserved				1,310,327					
Ret. Earnings-Unreserved				320,961	18,964				
Fund Balance	119,043	243,815	145,970						635,856
Total Fund Equity	119,043	243,815	145,970	2,837,694	18,964	0	1,685,944	0	635,856
Total Liabilities & Fund Equity	219,708	243,885	145,970	5,102,407	18,964	17,011	1,685,944	654,846	676,744

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL TYPE FUNDS AND
 DISCRETELY REPORTED COMPONENT UNIT
 YEAR ENDED MARCH 31, 2005

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>COMPONENT UNIT</u>
REVENUES:				
Taxes	\$500,518	\$181,118	\$	\$
Fees and Permits	25,009			
Inter- governmental	147,607	118,013		
Charges for Services	36,276			
Other Gov't Units				431,671
Special Assmts.			12,404	
Int. Income/ Misc. Other	<u>46,761</u>	<u>1,741</u>	<u>912</u>	<u>7,963</u>
TOTAL REVENUES	\$756,171	\$300,872	\$ 13,316	\$439,634
EXPENDITURES:				
Legislative	\$ 10,650	\$	\$	\$
General Gov't	65,897			
Police	278,689			
Fire	38,469			
Public Works	72,829			
Street Lights/ Utilities	53,863			
Refuse Coll.	28,848			
Recreation	3,298			
Ins.	15,643			
Prin. & Int.	33,599			
Capital Purch. & Const.				
Highways & Streets: Maintenance		239,188	9	
D.D.A.: Other				<u>304,664</u>
TOTAL EXPEND.	\$601,785	\$239,188	\$ 9	\$304,664

The accompanying notes are an integral
 part of the financial statements.

VILLAGE OF WEBBERVILLE
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL TYPE FUNDS AND
 DISCRETELY REPORTED COMPONENT UNIT
 YEAR ENDED MARCH 31, 2005

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>COMPONENT UNIT</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 154,386	\$ 61,684	\$ 13,307	\$134,970
OTHER FINANCING SOURCES: (USES):				
Transfers from Other Funds	\$ -0-	\$ 73,375	\$ 60,000	\$
Transfers from Component Units	35,000	14,886		
Transfers to Other Funds	(33,375)	(80,000)		
Transfer to Component Units	(149,127)	(54,960)		
Transfer to Primary Gov't				(154,429)
Transfers from Primary Govt.				<u>204,087</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ (147,502)	\$ (46,699)	\$ 60,000	\$ 49,658
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 6,884	\$ 14,985	\$ 73,307	\$ 184,628
Fund Balance- Beginning of Year	<u>112,159</u>	<u>228,830</u>	<u>72,663</u>	<u>451,228</u>
FUND BALANCE END OF YEAR	\$ <u>119,043</u>	\$ <u>243,815</u>	\$ <u>145,970</u>	\$ <u>635,856</u>

The accompanying notes are an integral
 part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND AND CHANGES IN FUND BALANCES.
BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENT AND
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED MARCH 31, 2005

	GENERAL FUND			SPECIAL REVENUE FUND TYPES			CAPITAL PROJECT FUND TYPES			COMPONENT UNIT		
	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET
REVENUES:												
Taxes	488,200	500,518	(12,318)	178,000	181,118	(3,118)		0	0			
Fees & Permits	18,700	25,009	(6,309)			0				0	2,982	(2,982)
Inter-Governmental	152,000	147,607	4,393	92,000	118,013	(26,013)		0	0	631,579	431,671	199,908
Special Assessments	35,100	36,276	(1,176)			0		12,404				
Other Gov't Units			0			0						
Int. & Misc.	15,700	14,761	939	2,600	1,741	859	450	912	(462)	1,000	4,981	(3,981)
TOTAL REVENUES	709,700	724,171	(14,471)	272,600	300,872	(28,272)	450	13,316	(462)	632,579	439,634	192,945
EXPENDITURES:												
Legislative	12,000	10,650	1,350									
General Gov't	80,550	65,897	14,653									
Police	281,200	278,689	2,511									
Fire	38,300	38,469	(169)									
Public Works	76,100	72,829	3,271									
Street												
Lights/Utilities	54,000	53,863	137									
Refuse Collection	30,000	28,848	1,152									
Recreation	3,500	3,298	202									
Insurance	15,700	15,643	57									
Sidewalk												
Main/Repairs			0				48,000	9	47,991			
Supplies, Repairs,			0									
Misc.			0									
Principal & Int.			0									
Hwys. & Streets			0	284,500	239,188	45,312						
Maintenance			0									
Principal & Int.			0									
LTD	35,000	33,599	1,401	0		0						
DDA:			0							842,690	304,664	538,026
Other		0	0									
TOTAL EXPENDITURES	626,350	601,785	24,565	284,500	239,188	45,312	48,000	9	47,991	842,690	304,664	538,026
REVENUES OVER (UNDER)												
EXPENDITURES	83,350	122,386	(39,036)	(11,900)	61,684	(73,584)	(47,550)	13,307	(48,453)	(210,111)	134,970	(345,081)
OTHER FINANCING SOURCES:												
Transfer from Primary Gov't										0	204,087	(204,087)
Transfers from Other Funds	32,000	32,000		73,375	73,375	0	60,000	60,000	0			
Transfers from Component Unit	20,000	35,000	15,000	0		0						
Transfers to Other Funds	(33,375)	(33,375)		(80,000)	(80,000)	0						
Transfers to Component Unit	(150,000)	(149,127)	873	(43,000)	(40,074)	2,926						
Transfers to Primary Gov't										(250,543)	(154,429)	(96,114)
TOTAL OTHER FINANCING SOURCES	(131,375)	(115,502)	15,873	(49,625)	(46,699)	2,926	60,000	60,000	0	(250,543)	49,658	(300,201)
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	(48,025)	6,884	(54,909)	(61,525)	14,985	(76,510)	12,450	73,307	(60,857)	(460,654)	184,628	(645,282)
Beginning		112,159			228,830			72,663			451,228	
Fund Balance - End of Year		119,043			243,815			145,970			635,856	

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINED STATEMENT OR REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
YEAR ENDED MARCH 31, 2005

PROPRIETARY FUND TYPES

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
OPERATING REVENUES:		
Charges for Services	\$ 377,700	\$
Penalties	5,046	-0-
Interest Income & Misc.	14,503	76
Charges for Services from Other Funds		<u>33,690</u>
TOTAL REVENUES	\$ 397,249	\$ 33,766
Operating Expenses	\$ 138,303	\$
Administration	134,305	4,195
Other:		
Depreciation	101,313	
Amortization	6,664	
Interest Expense	145,595	
Public Works	-0-	<u>14,964</u>
TOTAL OPERATING EXPENSES	\$ <u>526,180</u>	\$ <u>19,159</u>
NET INCOME BEFORE OPERATING TRANSFERS	\$ (128,931)	\$ 14,607
Transfers from Component Units	\$ 104,543	\$ -0-
Transfers to Other Funds		<u>(20,000)</u>
NET INCOME	\$ (24,388)	\$ (5,393)
RETAINED EARNINGS/FUND BALANCE BEGINNING OF YEAR	<u>1,655,676</u>	<u>24,357</u>
RETAINED EARNINGS/FUND BALANCE END OF YEAR	<u>\$1,631,288</u>	<u>\$ 18,964</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
YEAR ENDED MARCH 31, 2005

PROPRIETARY FUND TYPES

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ (24,388)	\$ (5,393)
ADJUSTMENTS FROM OPERATING ACTIVITIES:		
Depreciation	\$ 101,313	\$ 1,304
Amortization	6,664	
(Increase) Decrease in Interest Receivable	(576)	
(Increase) Decrease in Accounts Receivable	(19,255)	
Increase (Decrease) in Accts. Payable	455	
Increase (Decrease) in Accrued Expenses	(3,490)	
	<u>\$ 85,111</u>	<u>\$ 1,304</u>
Cash Flows from Operating Activities	\$ 60,723	\$ (4,089)
CASH FLOWS FROM CAPITAL & RELATING FINANCING:		
Capital Expenditures	\$ -0-	\$
CASH FLOWS FROM FINANCING ACTIVITIES:		
Reduction of Bonds Payable	\$ (140,000)	\$
Increase (Decrease) in Cash or Cash Equivalents	\$ (79,277)	\$ (4,089)
Cash and Cash Equivalents Beginning of Year	<u>910,525</u>	<u>20,594</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$831,248</u>	<u>\$ 16,505</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES (CONTINUED)
YEAR ENDED MARCH 31, 2005

<u>PROPRIETARY FUND TYPES</u>	
<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash Paid During the

Year For:

Interest

\$149,085

\$ -0-

DISCLOSURE OF ACCOUNTING POLICY:

For purposes of cash flows, the Village considers all highly liquid investments, such as certificates of deposit to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINING BALANCE SHEET - COMPONENT UNIT
MARCH 31, 2005

DOWNTOWN
DEVELOPMENT
AUTHORITY

ASSETS:

Cash	\$284,415
Due from Other Governmental Units	<u>392,329</u>
TOTAL ASSETS	<u>\$676,744</u>

LIABILITIES, FUND EQUITY AND OTHER CREDITS

LIABILITIES:

Accounts Payable	\$ 31,102
Accrued Interest Payable	<u>9,786</u>
TOTAL LIABILITIES	\$ 40,888

FUND EQUITY AND OTHER CREDITS:

Fund Balance	<u>\$635,856</u>
Total Fund Equity and Other Credits	<u>\$676,744</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL COMPONENT UNIT
YEAR ENDED MARCH 31, 2005

	<u>DOWNTOWN DEVELOPMENT AUTHORITY</u>
REVENUES:	
Interest & Miscellaneous	\$ 7,963
Other Governmental Units	<u>431,671</u>
TOTAL REVENUES	\$ 439,634
EXPENDITURES:	
Contracted Services	\$ 12,059
Legal	12,404
Office Expense	1,299
Engineering	639
Audit	800
Recording Salary	500
Interest Expense	21,175
Drains	236,368
Publishing	327
Parks & Recreation - WCRA Grant	10,000
Street Lights	8,875
Inspections	<u>218</u>
TOTAL EXPENDITURES	\$ 304,664
EXCESS OF REVENUES OVER EXPENDITURES	<u>134,970</u>
OTHER FINANCING SOURCES:	
Transfer from Primary Government	\$ 204,087
Transfer to Primary Government	<u>(154,429)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES	\$ 184,628
Fund Balance at April 1,	<u>451,228</u>
FUND BALANCE AT MARCH 31,	\$ <u><u>635,856</u></u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Webberville conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

COMPONENT UNITS

The accompanying financial statements present the Village's primary government and component units over which the Village exercises significant influence. Significant influence was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligation of the Village to finance any deficits that may occur or receipt of significant subsidies from the Village. Component units that do not meet the criteria for blending are reported discretely.

Component units that are reported in the Village's Comprehensive Annual Financial Report (CAFR) as shown in the following table:

<u>BLENDED COMPONENT UNITS REPORTED WITH THE PRIMARY GOVERNMENT</u>	<u>BRIEF DESCRIPTION AND RELATIONSHIP TO THE VILLAGE</u>	<u>REPORTING FUNDS</u>
Webberville Bldg. Auth. (WBA)	Charged with responsibility of building and financing repairs and major improvements to the Village hall and library. Village Council members serve as trustees.	Webberville Bldg. Auth. Fund (Capital Projects Fund)
Cultural Center Bldg.	Used to set aside monies for repairs and maintenance and improvements to the Webb. Cultural Center. Village Council members serve as trustees.	Cultural Center Bldg. Expense Fund (Capital Projects Fund)

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPONENT UNITS

DISCRETELY REPORTED
COMPONENT UNITS

BRIEF DESCRIPTION OF ACTIVITIES
AND RELATIONSHIP TO THE VILLAGE

Downtown Develop. Auth.

Used for the administration of the Authority and planning of improvements in the downtown district. Financing for DDA operations was provided by the General Fund. Village Council members serve as trustees.

FUND ACCOUNTING

The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

GOVERNMENT FUNDS

General Fund - The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Village or to other governments, on a cost-reimbursement basis.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organization, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All government funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS AND LONG-TERM LIABILITIES (CONTINUED)

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public Domain ("infrastructure") general fixed assets consisting of certain improvements including buildings, but other than roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS AND LIABILITIES (CONTINUED)

All proprietary funds are accounted for on a cost of service or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (Net Total Assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Equipment (Internal Service Fund)	5-10 years
Fixed Assets (Enterprise Funds)	25-75 years

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING (CONTINUED)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Discretely reported component unit, (The DDA), uses the modified accrual basis of accounting.

BUDGETS AND BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of the fiscal year, the clerk submits to the Village Council a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public Hearings are conducted in the Village to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of an ordinance.
4. The clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Council.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise and Internal Service Funds and the discretely presented component unit.
6. Budgets for the general, special revenue, capital projects funds and the discretely presented component unit are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. The DDA budget is based upon a fiscal year which matches the Village's fiscal year.

CASH AND INVESTMENTS

Investments are stated at cost or amortized cost, which approximates market.

Cash includes amounts in demand deposits.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

Short-term interfund loans are classified as "due from other funds" or "due to other funds" on the balance sheet. Transactions occurring between individual funds for goods provided or services rendered are also classified as "due to other funds" or "due from other funds" on the balance sheet.

Short-term interfund loans between the primary government and discretely presented component units are classified as "due from primary government" and "due from component unit" or "due to primary government" and "due to component unit".

RESTRICTED ASSETS

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting-under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is utilized in the government fund types. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no significant encumbrances at year end.

COMPENSATION ABSENCES

The Village allows employees seven days of sick time per year, which cannot be accumulated beyond one year. Extended sick time is covered under a disability insurance policy through Shenandoah Life Insurance Company of which the Village pays 100% of the premiums. Earned vacation time is required to be used within the year.

No liability is accrued at March 31, 2005, as it is less than one year's liability.

POST-EMPLOYMENT HEALTH CARE BENEFITS

Cobra Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Village makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. There are no participants in this program as of March 31, 2005.

Retiree Benefits

The Village pays 100% of health insurance coverage for a one year period of time for any full-time employees who retires. As of March 31, 2005, the Village has no one collecting benefits under this plan.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM OBLIGATIONS

The portion of long-term debt expected to be financed from expendable available financial resources is recognized as a liability of a governmental fund when due. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

FUND EQUITY

Contributed capital is recorded in proprietary funds that have received capital grants. Reserves represent those portions of fund equity not appropriable for expenditure.

BOND DISCOUNTS/ISSUANCE COSTS

Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the terms of the bond using the straight-line method.

INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses, initially made from it that are properly applicable to another fund, are recorded as expenditures/expense in the reimbursing fund as reduction of expenditures/expense in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

COMPARATIVE DATA

Comparative (i.e. presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES

Property taxes attach an enforceable lien on property by the county. Taxes are levied on June 30, and payable on October 20. The Village bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables. The Village is permitted by the Municipal Finance Law of the State to levy taxes up to 15 mills total. The Village Council has allocated 9.6453 mills for governmental services, 0.9628 mills for drain improvement, and 2.5919 mills for the Municipal Street Fund.

NOTE B - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

		<u>PRIMARY GOVERNMENT</u>		
	<u>BALANCE</u>			<u>BALANCE</u>
	<u>3-31-04</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>3-31-05</u>
Building & Land	\$1,421,322	\$	\$	\$1,421,322
Office Equip.	61,651			61,651
Police Equip.	10,598			10,598
DPW Equip.	191,508			191,508
Other Fixt. & Equip.	865			865
	<u>\$1,685,944</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$1,685,944</u>

There are no general fixed assets for component units.

A summary of proprietary fund type property, plant and equipment at March 31, 2005, is as follows:

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
Utility Plant	\$5,797,590	\$
DPW Equipment		<u>164,933</u>
	<u>\$5,797,590</u>	\$ 164,933
Less: Accum. Deprec.	<u>(1,684,153)</u>	<u>(162,474)</u>
NET	<u>\$4,113,437</u>	<u>\$ 2,459</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE B - CHANGES IN GENERAL FIXED ASSETS (CONTINUED)

Depreciation expense for the year ended March 31, 2005 is \$102,617.

Property, Plant and Equipment are recorded in the Village's records at cost. Depreciation is computed by the straight line method using lives of 10 to 75 years.

Property, Plant and Equipment are recorded in the books and records at cost. Depreciation is computed by the straight line method using lives of 25 to 75 years.

NOTE C - WATER AND SEWER NOTES

Discounts on bonds issued and financing costs are being amortized over the period bonds are outstanding on a straight-line basis.

Village Ordinance requires certain fund requirements for the Water System. Due to the length of these requirements, they are not all listed in these financial statements; however, at March 31, all fund requirements have been fulfilled.

WATER AND WASTEWATER REVENUE AND REFUNDING BONDS, SERIES 1994

In 1994, the Village issued water and wastewater revenue and refunding bonds in the amount of \$3,310,000, less \$28,449 original issue discount and \$66,200 underwriters discount were issued. Proceeds were used to retire various outstanding water and sewer bonds and provide funds as required under various grants for development of the Village's Industrial Park.

The 1994 bonds consists of serial bonds which are payable on November 1, from 1994 through 2005 and terms bonds of which \$1,145,000 matures on November 1, 2011 and \$1,060,000 matures on November 1, 2018. Interest is payable, at rates from 3.5% to 6.5%, on May 1, and November 1, each year. A separate schedule details the annual obligations. One-sixth of monthly Water and Sewer receipts is transferred to the 1994 Bond and Interest Redemption Fund to pay these obligations. The balance on these bonds is \$2,205,000 at March 31, 2005.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

WATER AND WASTEWATER REVENUE AND REFUNDING BONDS, SERIES 1994

Annual debt service requirement to maturity for the Water and Wastewater Revenue and Refunding Bonds, Series 1994, including interest of \$1,043,875, are as follows:

<u>FISCAL YEAR ENDING</u> <u>MARCH 31,</u>	<u>AMOUNT</u>
2006	\$ 286,035
2007	286,900
2008	282,135
2009	277,055
2010	271,660
Thereafter	<u>1,845,090</u>
	<u>\$3,248,875</u>

NOTE D - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (a) as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Village's actual expenditures and budgeted expenditures for the funds have been shown on a line item basis. The approved budgets of the Village for these funds were adopted to the line item level.

<u>PRIMARY GOV'T FUNDS</u>	<u>APPROPRIATION</u>	<u>EXPENDITURE</u>	<u>VARIANCE</u>
General Funds:			
Fire/Bldg & Zoning	\$ 38,300	\$ 38,469	\$ 169
Major Street Fund:			
Equipment Useage	9,000	10,071	1,071

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE E - INTER-FUND RECEIVABLES AND PAYABLES

The amounts of interfund receivables and payables are as follows:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE FROM COMPONENT UNITS</u>	<u>FUND</u>	<u>DUE TO OTHER FUNDS</u>	<u>DUE TO PRIMARY GOV'T</u>
General	\$1,304		General	\$ 35	
			Misc.	426	
Payroll	<u>35</u>		Tax	<u>878</u>	
	<u>\$1,339</u>	<u>\$ -0-</u>		<u>\$ 1,339</u>	<u>\$ -0-</u>

NOTE F - BUILDING AUTHORITY BONDS

The Webberville Building Authority issued \$350,000 of bonds in 1991, for the construction of a village library and hall. These bonds bear interest ranging from 6.4% to 7.25% per annum. Bonds maturing after May 1, 2002 are subject to redemption prior to maturity at the option of the authority with premium. The bonds are secured by the full faith and credit of the Village. The bonds are further detailed in a separate schedule. The balance of these bonds is \$190,000 at March 31, 2005.

NOTE G - BUILDING AUTHORITY BONDS

Annual debt service to maturity, including interest at \$107,128, is as follows:

<u>FISCAL YEAR ENDING MARCH 31,</u>	<u>AMOUNT</u>
2006	\$ 33,490
2007	37,240
2008	35,512
2009	33,700
2010	36,888
Thereafter	<u>72,250</u>
	<u>\$249,080</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2005

NOTE H - CASH AND CERTIFICATES OF DEPOSIT

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are regulated by statute or bond indenture, these specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws allow for collateralization of government deposits if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities, issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

The primary government's deposits at March 31, 2005, consisted of cash and certificates of deposit at two financial institutions:

<u>INSTITUTION A</u>	<u>AMOUNT</u>	<u>FDIC INSURED</u>	<u>UNINSURED</u>
Certificates of Deposit	\$ <u>400,000</u>	\$ <u>100,000</u>	\$ <u>300,000</u>
 <u>INSTITUTION B</u>	 <u>AMOUNT</u>	 <u>FDIC INSURED</u>	 <u>UNINSURED</u>
Cash	\$ 243,642	\$100,000	\$143,642
Certificates of Deposit/Savings	<u>816,918</u>	<u>100,000</u>	<u>716,918</u>
	\$ <u>1,060,560</u>	\$ <u>200,000</u>	\$ <u>860,560</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2005

NOTE H - CASH AND CERTIFICATES OF DEPOSIT (CONTINUED)

The carrying amount of deposits for the DDA, a discretely presented component unit, was \$284,416 and the bank balance was \$228,070. Of the bank balance \$200,000 was covered by Federal Depository Insurance.

The DDA's deposits at March 31, 2005, consisted of cash at one financial institution:

	<u>AMOUNT</u>	<u>FDIC INSURED</u>	<u>UNINSURED</u>
Cash	\$ <u>284,416</u>	\$ <u>200,000</u>	\$ <u>84,416</u>

Cash and cash equivalents caption on the combined balance sheet include \$27 in imprest cash.

NOTE I - INTERFUND OPERATING TRANSFERS

<u>FUND</u>	<u>TRANSFER FROM OTHER FUNDS</u>	<u>TRANSFER FROM COMPONENT UNITS</u>	<u>TRANSFER FROM PRIMARY GOVERNMENT</u>
General	\$ 32,000	\$ 35,000	\$
Local Street	40,000		
Drains	33,375	14,886	
Water Receiving		30,000	
New Equipment	20,000		
Bond Int. & Redemption		74,543	
DDA			204,087
Sidewalk	40,000		
Major			
	<u>\$165,375</u>	<u>\$154,429</u>	<u>\$204,087</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

<u>UNIT</u>	<u>TRANSFERS TO OTHER FUNDS</u>	<u>TRANSFER TO PRIMARY GOVERNMENT</u>	<u>TRANSFER TO COMPONENT</u>
Municipal Street	\$ 80,000	\$	\$ 40,074
General	33,375		149,127
DDA		154,429	
Major Street	5,800		
Motor Vehicle Pool	20,000		
Local Street	2,600		
Water	11,800		
Sewer	11,800		
Drain			<u>14,886</u>
	<u>\$165,375</u>	<u>\$154,429</u>	<u>\$204,087</u>

NOTE J - RETIREMENT

As of April 1, 1995, the Village is a member of the Municipal Employees Retirement System (MERS). Full-time employees contribute, on a pre-tax basis, 5.5% of their gross wage. The actuary has determined the Village's contribution to be \$6,318 for the year ended March 31, 2005. Each year the quarterly contribution is recalculated based on the actual wages paid to employees during the prior fiscal year. During the year, \$10,716 was paid to MERS. The pension covered \$76,264 of the Village's total payroll of \$140,865. At March 31, 2005 \$1,374 was still due MERS for March, 2005.

NOTE K - CHANGES IN LONG-TERM LIABILITIES

During the year ended March 31, 2005, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>BALANCE APRIL 1</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE MARCH 31</u>
Bond - WBA	\$190,000	\$	\$ 20,000	\$170,000
Loan Payable-				
DDA	<u>484,846</u>			<u>484,846</u>
	<u>\$674,846</u>	<u>\$ -0-</u>	<u>\$ 20,000</u>	<u>\$654,846</u>

The current maturities on long-term debt are recorded as a liability in the fund that is responsible for the payment.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE K - CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

There is general long-term debt for component units of \$484,846.

During the year ended March 31, 2004, the Village of Webberville Downtown Development Authority issued the Downtown Development Bonds, Series 2003 in the amount of \$1,075,000. The bonds were issued for the purpose of paying the balance of the Hawley and Mason properties and other capital improvements projects.

The bond is a draw bond with principal to be drawn not later than December 30, 2005. The aggregate amount of all draws shall not exceed \$1,075,000. Interest is payable on May 1, 2004 and on each November 1, and May 1, thereafter. Principal repayments in the amount of \$59,722 shall commence May 1. The interest rate is determined by subsequent determination of the principal stated by the bond holder. The rate for the taxable interest is based on the Wall Street Journal Prime Rate plus $\frac{1}{2}$ percentage point and the interest rate for non-taxable interest is 4.09%.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE K - CHANGES IN LONG-TERM LIABILITIES (CONTINUED)

The outstanding principal at March 31, 2005, is as follows:

\$329,695.36	6.00%
<u>155,150.75</u>	4.09%
<u>\$484,846.11</u>	

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2006	\$ 26,936.88	\$ 26,119.36	\$ 53,056.24
2007	26,936.88	24,647.67	51,584.55
2008	26,936.88	23,240.50	50,177.38
2009	26,936.88	21,704.30	48,641.18
2010	26,936.88	20,232.63	47,169.51
Thereafter	<u>350,161.71</u>	<u>129,197.81</u>	<u>479,359.52</u>
	<u>\$484,846.11</u>	<u>\$245,142.27</u>	<u>\$729,988.38</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE L - SEGMENT INFORMATION - ENTERPRISE FUNDS

The government maintains two enterprise funds which are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended March 31, 2005, is presented below:

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
Operating Revenues	\$ 162,923	\$ 234,326	\$ 307,249
Depreciation Exp.	53,196	48,117	101,313
Operating Income (Loss)	(102,897)	(26,034)	(128,931)
Operating Transfers from Component Units	56,836	47,707	104,543
Net Income (Loss)	(46,061)	21,673	(24,388)
Property, Plant and Equipment Additions	-0-	-0-	-0-
Net Working Capital	(7,700)	96,459	88,759
Total Assets	2,390,213	2,712,194	5,102,407
Bonds Payable	1,367,100	837,900	2,205,000
Total Equity	985,620	1,852,074	2,837,694

The Village reserves assets to comply with the reserve requirements of the various bonds.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2005

NOTE M - RISK MANAGEMENT

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to employees. The village has purchased commercial insurance and participates in the Michigan Municipal League for claims relating to all insurance. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts.

NOTE N - SIDEWALK IMPROVEMENTS SPECIAL ASSESSMENTS

The Village of Webberville made sidewalk improvements to various properties. Part of the cost will be paid by the property owners as a special assessments. The homeowners will be assessed for each year from 2003 to 2007 for a portion of the principal and interest at 2%. The total principal to be assessed will be \$46,641.88. As of March 31, 2005 the remaining principal balance is \$25,566.00.

The Village's accounting policy is to recognize these revenues in the year received.

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2005	\$ 8,522	\$ 511	\$ 9,033
2006	8,522	515	9,037
2007	<u>8,522</u>	<u>512</u>	<u>9,034</u>
	<u>\$25,566</u>	<u>\$1,538</u>	<u>\$27,104</u>

FINANCIAL STATEMENTS
OF
INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

VILLAGE OF WEBBERVILLE
GENERAL FUND
BALANCE SHEETS - MARCH 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Cash	\$207,036	\$202,187
Utility Customer Receivables	8,451	6,091
A/R - Property Tax - Per. Delinq.	2,917	46
Due from Other Funds	<u>1,304</u>	<u>1,407</u>
	<u>\$219,708</u>	<u>\$209,731</u>

LIABILITIES AND FUND BALANCES

Accounts Payable	\$ 75,010	\$ 71,403
Accrued Interest Payable	5,620	6,169
Bonds Payable	20,000	20,000
Due to Other Funds	<u>35</u>	<u>-0-</u>
TOTAL LIABILITIES	\$100,665	\$ 97,572
 Fund Balance - General	 <u>119,043</u>	 <u>112,159</u>
	<u>\$219,708</u>	<u>\$209,731</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
GENERAL FUND
ANALYSIS OF CHANGES IN FUND BALANCES
YEARS ENDED MARCH 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Fund Balances at April 1,	\$112,159	\$ 95,635
Add: Excess of Revenues Over Expenditures (Expenditures over Revenues)	<u>6,884</u>	<u>16,524</u>
FUND BALANCE AT MARCH 31,	<u>\$119,043</u>	<u>\$112,159</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED MARCH 31, 2005 AND 2004

		<u>2005</u>		<u>2004</u>
	<u>AMENDED</u>	<u>ACTUAL</u>	<u>ACTUAL</u> <u>(OVER)</u> <u>UNDER</u> <u>BUDGET</u>	<u>ACTUAL</u>
	<u>BUDGET</u>			
REVENUES:				
Taxes:				
Current Taxes	\$482,200	\$494,176	\$ (11,976)	\$436,906
Admin. Fees	<u>6,000</u>	<u>6,342</u>	<u>(342)</u>	<u>6,025</u>
TOTAL TAXES	\$488,200	\$500,518	\$ (12,318)	\$442,931
Fees & Permits:				
Trailer Park & Other Fees	\$ 700	\$ 706	\$ (6)	\$ 742
Bldg. Permits, Inspection Fees, Fines & Other Fees	<u>18,000</u>	<u>24,303</u>	<u>(6,303)</u>	<u>12,539</u>
TOTAL FEES & PERMITS	\$ 18,700	\$ 25,009	\$ (6,309)	\$ 13,281
Intergovernmental Revenues:				
State of Michigan:				
Sales Tax	<u>152,000</u>	<u>147,607</u>	<u>4,393</u>	<u>157,186</u>
TOTAL INTERGOVERNMENTAL REVENUES	\$152,000	\$147,607	\$ 4,393	\$157,186
Charges for Services:				
Refuse Coll.	\$ 35,000	\$ 36,111	\$ (1,111)	\$ 36,285
Other Serv.	<u>100</u>	<u>165</u>	<u>(65)</u>	<u>237</u>
TOTAL CHARGES FOR SERVICES	\$ 35,100	\$ 36,276	\$ (1,176)	\$ 36,522
Miscellaneous:				
Transfers from Other Funds				
For Services	\$ 32,000	\$ 32,000	\$ -0-	\$ 32,000
Interest Earned	2,000	1,327	673	2,140
Misc. Income	7,000	6,017	983	6,060
Cable Fran. Fee	5,000	5,522	(522)	5,843
Liquor Control/ Ordinance Fines	<u>1,700</u>	<u>1,895</u>	<u>(195)</u>	<u>1,689</u>
TOTAL MISCELLANEOUS	\$ 47,700	\$ 46,761	\$ 939	\$ 47,732

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES (CONTINUED)
YEARS ENDED MARCH 31, 2005 AND 2004

	<u>2005</u>		<u>2004</u>	
	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
TRANSFERS FROM				
COMPONENT UNITS	\$ <u>20,000</u>	\$ <u>35,000</u>	\$ <u>(15,000)</u>	\$ <u>35,000</u>
TOTAL REVENUES	\$ <u>761,700</u>	\$ <u>791,171</u>	\$ <u>(29,471)</u>	\$ <u>732,652</u>
EXPENDITURES:				
Legislative	\$ 12,000	\$ 10,650	\$ 1,350	\$ 11,024
General Service				
Administration	80,550	65,897	14,653	64,150
Police	281,200	278,689	2,511	264,482
Fire/Bldg. & Zoning	38,300	38,469	(169)	33,671
Dept. of Public				
Works	76,100	72,829	3,271	53,348
Street Lights/				
Utilities	54,000	53,863	137	52,542
Refuse Collection	30,000	28,848	1,152	27,023
Parks & Recreation	3,500	3,298	202	1,636
Ins. & Bonding	15,700	15,643	57	13,489
Long-Term Debt	35,000	33,599	1,401	35,066
Transfers to Other				
Funds	33,375	33,375	-0-	-0-
Transfers to				
Component Units	<u>150,000</u>	<u>149,127</u>	<u>873</u>	<u>159,697</u>
TOTAL EXPENDITURES	\$ <u>809,725</u>	\$ <u>784,287</u>	\$ <u>25,438</u>	\$ <u>716,128</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
GENERAL FUND
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
YEARS ENDED MARCH 31, 2005 AND 2004

	<u>2005</u>		<u>2004</u>	
	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
LEGISLATIVE:				
Elected Officials				
Salaries	\$ 12,000	\$ 10,650	\$ 1,350	\$ 9,366
Election Expenses	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,658</u>
TOTAL LEGISLATIVE	\$ 12,000	\$ 10,650	\$ 1,350	\$ 11,024
GENERAL SERV. ADMIN:				
Admin. Salaries	\$ 30,400	\$ 29,802	\$ 598	\$ 30,499
Office Supplies	4,000	2,433	1,567	2,819
Postage	2,400	2,192	208	2,257
Legal Publishing	2,200	2,068	132	1,277
Maint. Supplies	10,000	8,569	1,431	8,936
Audit	3,500	2,528	972	2,465
Legal & Prof.	18,000	12,342	5,658	10,290
Tax Roll Prep.	500	366	134	415
Telephone	4,800	1,968	2,832	3,030
Equip. Maint.	2,500	1,789	711	262
Training	550	250	300	250
Memberships	<u>1,700</u>	<u>1,590</u>	<u>110</u>	<u>1,650</u>
TOTAL GENERAL SERV.				
ADMINISTRATION	\$ 80,550	\$ 65,897	\$14,653	\$ 64,150
POLICE:				
Crossing Guard	\$ 1,200	\$ -0-	\$ 1,200	\$ -0-
Contract Services	<u>280,000</u>	<u>278,689</u>	<u>1,311</u>	<u>264,482</u>
TOTAL POLICE	\$281,200	\$278,689	\$ 2,511	\$264,482

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
GENERAL FUND
SCHEDULES OF APPROPRIATIONS
AND EXPENDITURES (CONTINUED)
YEARS ENDED MARCH 31, 2005 AND 2004

	<u>2005</u>		<u>2004</u>
	<u>AMENDED</u>		<u>ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>
			<u>ACTUAL</u>
FIRE:			
Fire Hydrant			
Rent	\$ 2,800	\$ 2,508	\$ 292
Bldg. Improve.			
& Zoning	<u>35,500</u>	<u>35,961</u>	<u>(461)</u>
TOTAL FIRE	\$ 38,300	\$ 38,469	\$ (169)
DEPT. OF PUBLIC WORKS:			
Salaries-Reg.	\$ 30,610	\$ 29,964	\$ 646
Social Security	4,535	4,439	96
Workmen's Comp.	1,330	1,302	28
Hospitalization	20,975	20,532	443
Retirement	7,005	6,857	148
MESA Unemployment	145	142	3
Truck Rental	10,000	8,295	1,705
Clothing	<u>1,500</u>	<u>1,298</u>	<u>202</u>
TOTAL DEPT. OF			
PUBLIC WORKS	\$ 76,100	\$ 72,829	\$ 3,271
STREET LIGHTS/UTIL.	54,000	53,863	137
REFUSE COLLECTION	30,000	28,848	1,152
PARKS & RECREATION	3,500	3,298	202
INSURANCE & BONDING:			
Employee Bonding	\$ <u>15,700</u>	\$ <u>15,643</u>	\$ <u>57</u>
TOTAL INSURANCE &			
BONDING	\$ <u>15,700</u>	\$ <u>15,643</u>	\$ <u>57</u>
LONG-TERM DEBT:			
Interest	\$	\$ 13,599	\$
Principal	<u> </u>	<u>20,000</u>	<u> </u>
TOTAL LONG-TERM			
PAYMENTS	\$ 35,000	\$ 33,599	\$ 1,401
TRANSFERS TO COMPONENT			
UNITS	\$150,000	\$149,127	\$ 873
TRANSFER TO OTHER			
FUNDS	<u>33,375</u>	<u>33,375</u>	<u>-0-</u>
TOTALS	<u>\$809,725</u>	<u>\$784,287</u>	<u>\$25,438</u>

SPECIAL REVENUE FUNDS

MAJOR STREET FUND

Major Street Fund is used to receive all Major Street monies paid to the Village by the state, to account for monies received from special tax levies for street improvement purposes, to account for monies received from General Fund contributions and to account for construction, maintenance and other authorized operations to all streets classified as Major Street.

LOCAL STREET FUND

Local Street Fund is used to receive all Local Street monies paid to the Village by the State, to account for monies received from special tax levies for street improvement purposes, to account for monies received from General Fund contributions and to account for construction, maintenance and other authorized operations to all streets classified as Local Street.

MUNICIPAL STREET TAX FUND

Municipal Street Tax Fund is used to account for taxes segregated for street oriented operations.

DRAIN FUND

Drain Fund is used to account for taxes segregated for drain expenditures.

VILLAGE OF WEBBERVILLE
SPECIAL REVENUE FUND
COMBINING BALANCE SHEET
MARCH 31, 2005 AND 2004

	2005					2004
	MAJOR STREET FUND	LOCAL STREET FUND	MUNICIPAL STREET TAX FUND	DRAIN FUND	COMBINED	COMBINED
	ASSETS					
Cash	\$117,585	\$41,090	\$25,423	\$58,727	\$242,825	\$228,883
A/R Taxes- Delinquent Personal			<u>773</u>	<u>287</u>	<u>1,060</u>	<u>16</u>
	<u>\$117,585</u>	<u>\$41,090</u>	<u>\$26,196</u>	<u>\$59,014</u>	<u>\$243,885</u>	<u>\$228,899</u>
	LIABILITIES AND FUND BALANCE					
Accounts Payable	\$ <u>70</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>70</u>	\$ <u>68</u>
	\$ 70	\$ -0-	\$ -0-	\$ -0-	\$ 70	\$ 68
FUND BAL.	<u>\$117,515</u>	<u>\$41,090</u>	<u>\$26,196</u>	<u>\$59,014</u>	<u>\$243,885</u>	<u>\$228,831</u>
	<u>\$117,585</u>	<u>\$41,090</u>	<u>\$26,196</u>	<u>\$59,014</u>	<u>\$243,885</u>	<u>\$228,899</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED MARCH 31, 2005 AND 2004

	<u>2005</u>					<u>2004</u>
	<u>MAJOR STREET</u>	<u>LOCAL STREET</u>	<u>MUNICIPAL STREET</u>	<u>DRAIN FUND</u>	<u>COMBINED</u>	<u>COMBINED</u>
REVENUES:						
Property Taxes	\$ -0-	\$ -0-	\$132,063	\$49,055	\$181,118	\$160,184
Motor Vehicle Highway Funds	88,013	30,000	-0-	-0-	118,013	98,778
Int. Earned & Misc.	<u>817</u>	<u>293</u>	<u>231</u>	<u>400</u>	<u>1,741</u>	<u>2,848</u>
TOTAL REV.	\$ 88,830	\$30,293	\$132,294	\$49,455	\$300,872	\$261,810
EXPENDITURES:						
Wages	\$ 8,042	\$ 4,992	\$	\$	\$ 13,034	\$ 10,695
Social Sec.	1,143	387			1,530	818
Insurance	4,651	1,951			6,602	5,457
Retirement	1,729	758			2,487	1,066
Workmen's Comp.	397	198			595	111
Administration	5,838	2,063			7,901	9,700
Equip. Usage	10,071	3,043			13,114	12,941
Tree Trimming	1,811	844			2,655	2,300
Drains	-0-	122	15,100	53,765	68,987	33,801
Supplies	5,800	2,600			8,400	8,400
Gravel	73	-0-			73	240
Road Maint.	23,475	71,681			95,156	90,680
Salt & Chloride	3,117	3,117			6,234	4,840
Striping	1,005	-0-			1,005	1,697
Signs & Posts	-0-	-0-			-0-	690
Traffic Lights	803	-0-			803	757
Audit	640	672			1,312	665
Legal & Prof.	<u>1,391</u>	<u>7,759</u>		<u>150</u>	<u>9,300</u>	<u>11,793</u>
TOTAL EXPEND.	\$69,986	\$100,187	\$15,100	\$53,915	\$239,188	\$196,651

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES AND EXPENDITURES (CONTINUED)
YEARS ENDED MARCH 31, 2005 AND 2004

	2005				2004	
	<u>MAJOR STREET</u>	<u>LOCAL STREET</u>	<u>MUNICIPAL STREET</u>	<u>FUND</u>	<u>COMBINED</u>	<u>COMBINED</u>
EXCESS OF REVENUES OVER (UNDER) EXPEND.	\$ 18,844	\$ (69,894)	\$117,194	\$ (4,460)	\$ 61,684	\$ 65,159
OTHER FINANCING SOURCES:						
Transfers In - Other Funds	-0-	40,000	-0-	33,375	73,375	75,000
Transfers Out Other Funds	-0-	-0-	(80,000)	-0-	(80,000)	(76,000)
Transfers In Component Unit	-0-	-0-	-0-	14,886	14,886	15,941
Transfers Out Component Units	-0-	-0-	(40,074)	(14,886)	(54,960)	(58,855)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	\$ 18,844	\$ (29,894)	\$ (2,880)	\$ 28,915	\$ 14,985	\$ 21,245
Fund Balance 4-1-04	<u>98,671</u>	<u>70,984</u>	<u>29,076</u>	<u>30,099</u>	<u>228,830</u>	<u>207,585</u>
FUND BALANCE 3-31-05	<u>\$117,515</u>	<u>\$ 41,090</u>	<u>\$ 26,196</u>	<u>\$ 59,014</u>	<u>\$243,815</u>	<u>\$228,830</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
MAJOR STREET FUND
MARCH 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Cash	\$ <u>117,585</u>	\$ <u>98,740</u>
	\$ <u>117,585</u>	\$ <u>98,740</u>

LIABILITIES AND FUND BALANCES

Accounts Payable	\$ 70	\$ 68
Fund Balances	<u>117,515</u>	<u>98,672</u>
	\$ <u>117,585</u>	\$ <u>98,740</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
MAJOR STREET FUND
STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED MARCH 31, 2005 AND 2004

	<u>2005</u>		<u>2004</u>	
	<u>AMENDED</u>	<u>ACTUAL</u>	<u>ACTUAL</u> <u>(OVER)</u> <u>UNDER</u> <u>BUDGET</u>	<u>ACTUAL</u>
	<u>BUDGET</u>			
REVENUES:				
Motor Vehicle				
Highway Funds	\$ 68,000	\$ 88,013	\$ (20,013)	\$ 73,711
Interest Earned				
& Other	<u>1,000</u>	<u>817</u>	<u>183</u>	<u>1,278</u>
TOTAL REVENUES	\$ 69,000	\$ 88,830	\$ (19,830)	\$ 74,989
EXPENDITURES:				
Wages	\$ 8,300	\$ 8,042	\$ 258	\$ 7,047
Social Security	1,180	1,143	37	539
Insurance	4,800	4,651	149	3,904
Retirement	1,785	1,729	56	703
Workmen's Comp.	410	397	13	77
Administration	6,025	5,838	187	4,802
Equip. Useage	9,000	10,071	(1,071)	9,486
Tree Trimming	2,000	1,811	189	1,300
Drains	5,000	-0-	5,000	-0-
Supplies	5,800	5,800	-0-	5,800
Gravel	500	73	427	120
Road Maint.	25,000	23,475	1,525	59,766
Salt & Chloride	4,000	3,117	883	2,420
Striping	2,000	1,005	995	1,697
Legal & Prof.	10,000	1,391	8,609	7,725
Signs & Posts	1,000	-0-	1,000	522
Traffic lights	1,000	803	197	757
Audit	1,100	640	460	-0-
Snow Removal	<u>1,000</u>	<u>-0-</u>	<u>1,000</u>	<u>-0-</u>
TOTAL EXPEND.	\$ 89,900	\$ 69,986	\$ 19,914	\$ 106,665
EXCESS OF REVENUES				
OVER (UNDER)				
EXPENDITURES	\$ (20,900)	\$ (18,844)	\$ (39,744)	\$ (31,676)

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
MAJOR STREET FUND
STATEMENT OF REVENUES AND EXPENDITURES (CONTINUED)
YEARS ENDED MARCH 31, 2005 AND 2004

	<u>2005</u>		<u>2004</u>	
	<u>AMENDED</u>	<u>ACTUAL</u>	<u>ACTUAL</u> (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
Other Financing Sources:				
Transfer from Other				
Funds	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>35,000</u>
EXCESS OF REVENUES				
OVER (UNDER)				
EXPENDITURES				
AND OTHER				
SOURCES	\$ <u>(20,900)</u>	\$ 18,844	\$ <u>(39,744)</u>	\$ 3,324
Fund Balance at April 1,		<u>98,671</u>		<u>95,347</u>
FUND BALANCE AT MARCH 31,		<u>\$117,515</u>		<u>\$ 98,671</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
LOCAL STREET FUND
MARCH 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Cash	\$ <u>41,090</u>	\$ <u>70,984</u>
	\$ <u>41,090</u>	\$ <u>70,984</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ <u>-0-</u>	\$ <u>-0-</u>
TOTAL LIABILITIES	\$ <u>-0-</u>	\$ <u>-0-</u>
Fund Balance	<u>41,090</u>	<u>70,994</u>
	\$ <u>41,090</u>	\$ <u>70,994</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
LOCAL STREET FUND
STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED MARCH 31, 2005 AND 2004

	<u>2005</u>		<u>2004</u>
	<u>AMENDED</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
	<u>BUDGET</u>		
REVENUES:			
Motor Vehicle			
Highway Funds	\$ 24,000	\$ 30,000	\$ 25,067
Interest Earned	<u>600</u>	<u>293</u>	<u>743</u>
TOTAL REVENUES	\$ 24,600	\$ 30,293	\$ 25,810
EXPENDITURES:			
Wages	\$ 8,200	\$ 4,992	\$ 3,648
Social Security	635	387	279
Insurance	3,205	1,951	1,553
Retirement	1,245	758	363
Workmen's Comp.	325	198	34
Administration	3,390	2,063	4,898
Snow Removal	1,000	-0-	-0-
Equip. Useage	5,000	3,043	3,455
Tree Trimming	1,200	844	1,000
Drains	3,000	122	2,564
Supplies	2,600	2,600	2,600
Gravel	500	-0-	120
Road Maint.	75,000	71,681	30,914
Salt & Chloride	4,000	3,117	2,420
Signs & Posts	1,000	-0-	168
Legal & Prof.	8,000	7,759	3,838
Audit	<u>1,000</u>	<u>672</u>	<u>665</u>
TOTAL EXPEND.	\$ <u>119,300</u>	\$ <u>100,187</u>	\$ <u>58,519</u>
EXCESS OF REVENUES			
OVER (UNDER)			
EXPENDITURES	\$ (94,700)	\$ (69,894)	\$ (32,709)
OTHER FINANCING SOURCES:			
Transfers from			
Other Funds	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
EXCESS OF REVENUES			
OVER (UNDER)			
EXPENDITURES AND			
OTHER SOURCES	\$ (<u>54,700</u>)	\$ (29,894)	\$ (<u>24,806</u>)
Fund Balance at April 1,		<u>70,984</u>	<u>63,693</u>
FUND BALANCE AT MARCH 31,		\$ <u>41,090</u>	\$ <u>70,984</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
MUNICIPAL STREET FUND
MARCH 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Cash	\$25,423	\$29,064
A/R - Pers. Prop. Tax	<u>773</u>	<u>12</u>
	<u>\$26,196</u>	<u>\$29,076</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$26,196</u>	<u>\$29,076</u>
--------------	-----------------	-----------------

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
MUNICIPAL STREET TAX FUND
STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED MARCH 31, 2005 AND 2004

	<u>2005</u>		<u>2004</u>
	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>
REVENUES:			<u>ACTUAL</u>
Property Taxes	\$132,000	\$ 132,063	\$ (63)
Int. Earned	<u>500</u>	<u>231</u>	<u>269</u>
TOTAL REVENUES	\$132,500	\$ 132,294	\$ 206
EXPENDITURES:			
Ingham Co.			
Drain	\$ <u>20,000</u>	\$ <u>15,100</u>	\$ <u>4,900</u>
TOTAL EXPEND.	\$ <u>20,000</u>	\$ <u>15,100</u>	\$ <u>4,900</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$112,500	\$ 117,194	\$ (4,694)
OTHER FINANCING SOURCES:			
Transfers to Other Funds	\$ (80,000)	\$ (80,000)	\$ -0-
Transfers to Component Unit	<u>43,000</u>	<u>(40,074)</u>	<u>(2,926)</u>
	\$ (123,000)	\$ (120,074)	\$ (2,926)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ <u>(10,500)</u>	\$ (2,880)	\$ <u>(7,620)</u>
Fund Balance at April 1,		<u>29,076</u>	<u>31,284</u>
FUND BALANCE AT MARCH 31,		\$ <u>26,196</u>	\$ <u>29,076</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
DRAIN FUND
MARCH 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Cash	\$58,727	\$30,095
A/R - Delinquent Tax-		
Personal	<u>287</u>	<u>4</u>
	<u>\$59,014</u>	<u>\$30,099</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$59,014</u>	<u>\$30,099</u>
	<u>\$59,014</u>	<u>\$30,099</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
DRAIN FUND
STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED MARCH 31, 2005 AND 2004

		<u>2005</u>	ACTUAL (OVER) UNDER BUDGET	<u>2004</u>
	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>		<u>ACTUAL</u>
REVENUES:				
Property Taxes	\$46,000	\$ 49,055	\$ (3,055)	\$ 43,385
Interest Earned	<u>500</u>	<u>400</u>	<u>100</u>	<u>350</u>
TOTAL REVENUES	\$46,500	\$ 49,455	\$ (2,955)	\$ 43,735
EXPENDITURES:				
Prof. Serv.	\$ 300	\$ 150	\$ 150	\$ 230
Drains at Large	<u>55,000</u>	<u>53,765</u>	<u>1,235</u>	<u>30,667</u>
TOTAL EXPEND.	\$55,300	\$ 53,915	\$ 1,385	\$ 30,897
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$(8,800)	\$ (4,460)	\$ (4,340)	\$ 12,838
OTHER FINANCING SOURCES:				
Transfers from Other Funds	\$33,375	\$ 33,375	\$ -0-	\$ -0-
Transfers from Component Unit	-0-	14,886	(14,886)	15,941
Transfer (to) Component Unit	<u>-0-</u>	<u>(14,886)</u>	<u>(14,886)</u>	<u>(15,941)</u>
	\$33,375	\$ 33,375	\$ (4,340)	\$ -0-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES				
	\$ <u>24,575</u>	\$ 28,915	\$ <u>(4,340)</u>	\$ 12,838
Fund Balance at April 1,		<u>30,099</u>		<u>17,261</u>
FUND BALANCE AT MARCH 31,		\$ <u>59,014</u>		\$ <u>30,099</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEETS
MARCH 31, 2005 AND 2004

	2005				2004	
	NEW EQUIP. FUND	SIDEWALK FUND	WEBBERV. BLDG. AUTHORITY	INFRAST. FUND	COMBINED	COMBINED
Cash	\$61,638	\$74,109	\$10,223	\$ -0-	\$145,970	\$ 72,663
Accts. Rec.	-0-	-0-	-0-	-0-	-0-	-0-
	<u>\$61,638</u>	<u>\$74,109</u>	<u>\$10,223</u>	<u>\$ -0-</u>	<u>\$145,970</u>	<u>\$ 72,663</u>
Fund Bal.	<u>61,638</u>	<u>74,109</u>	<u>10,223</u>	<u>-0-</u>	<u>145,970</u>	<u>72,663</u>
	<u>\$61,638</u>	<u>\$74,109</u>	<u>\$10,223</u>	<u>\$ -0-</u>	<u>\$145,970</u>	<u>\$ 72,663</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
CAPITAL PROJECTS FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEARS ENDED MARCH 31, 2005 AND 2004

	2005				2004	
	NEW EQUIP. FUND	SIDEWALK FUND	WEBBERV. BLDG. AUTHORITY	INFRAST. FUND	COMBINED	COMBINED
REVENUES:						
Special						
Assmts. \$	-0-	\$12,404	\$ -0-	\$ -0-	\$ 12,404	\$ 12,555
Int. and						
Misc. <u>408</u>		<u>484</u>	<u>20</u>	<u>-0-</u>	<u>912</u>	<u>517</u>
TOTAL \$	408	\$12,888	\$ 20	\$ -0-	\$ 13,316	\$ 13,072
EXPENDITURES:						
Professional						
Serv. \$	-0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ (2,440)
Cap. Out-						
Lay -0-		-0-	-0-	-0-	-0-	(1,907)
New Const <u>-0-</u>		<u>9</u>	<u>-0-</u>	<u>-0-</u>	<u>9</u>	<u>(4,616)</u>
TOTAL						
EXPEND. \$ <u>-0-</u>		<u>9</u>	<u>-0-</u>	<u>-0-</u>	<u>9</u>	<u>(8,963)</u>
EXCESS OF REVENUES OVER (UNDER)						
EXPEND. \$	408	\$12,879	\$ 20	\$ -0-	\$ 13,307	\$ (4,109)
Transfers from Other Funds \$ <u>20,000</u>		<u>40,000</u>	<u>-0-</u>	<u>-0-</u>	<u>60,000</u>	<u>11,000</u>
EXCESS OF REVENUES OVER (UNDER)						
EXPEND. \$	20,408	\$52,879	\$ 20	\$ -0-	\$ 73,307	\$ 15,109
Fund Balance						
4-1 <u>41,230</u>		<u>21,230</u>	<u>10,203</u>	<u>-0-</u>	<u>72,663</u>	<u>57,554</u>
FUND BALANCE						
AT 3-31 \$ <u>61,638</u>		<u>\$74,109</u>	<u>\$ 10,223</u>	<u>\$ -0-</u>	<u>\$145,970</u>	<u>\$ 72,663</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
NEW EQUIPMENT FUND
COMPARATIVE BALANCE SHEETS
MARCH 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Cash	<u>\$61,638</u>	<u>\$41,230</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$61,638</u>	<u>\$41,230</u>
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The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
NEW EQUIPMENT FUND
STATEMENT OF REVENUE AND EXPENDITURES
AND OF CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2005 AND 2004

		<u>2005</u>		<u>2004</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Int. Income	\$ <u>250</u>	\$ <u>408</u>	\$ <u>(158)</u>	\$ <u>320</u>
TOTAL REVENUES	\$ 250	\$ 408	\$ (158)	\$ 320
EXPENDITURES:				
Purchase of Equipment	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>392</u>
TOTAL EXPEND.	\$ -0-	\$ -0-	\$ -0-	\$ 392
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	\$ 250	\$ 408	\$ (158)	\$ (72)
Transfers from Other Funds				
	<u>20,000</u>	<u>20,000</u>	<u>-0-</u>	<u>10,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES				
	\$ <u>20,250</u>	\$ 20,408	\$ <u>(158)</u>	\$ 9,928
Fund Balance at April 1,		<u>41,230</u>		<u>31,302</u>
FUND BALANCE AT MARCH 31,		\$ <u>61,638</u>		\$ <u>41,230</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
SIDEWALK FUND
COMPARATIVE BALANCE SHEETS
MARCH 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Cash	<u>\$74,109</u> <u>\$74,109</u>	<u>\$21,230</u> <u>\$21,230</u>
Fund Balance	<u>\$74,109</u> <u>\$74,109</u>	<u>\$21,230</u> <u>\$21,230</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
SIDEWALK FUND
STATEMENT OF REVENUE AND EXPENDITURES
AND OF CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2005 AND 2004

		<u>2005</u>	ACTUAL (OVER) UNDER BUDGET	<u>2004</u>
	AMENDED BUDGET	ACTUAL		ACTUAL
REVENUES:				
Special Assmts.	\$ -0-	\$ 12,404	\$ (12,404)	\$ 12,555
Int. & Misc.	<u>200</u>	<u>484</u>	<u>(284)</u>	<u>175</u>
TOTAL REVENUES	\$ 200	\$ 12,888	\$ (12,688)	\$ 12,730
EXPENDITURES:				
New Constr.	\$ 45,000	\$ 9	\$ 44,991	\$ 4,616
Prof. Fees	<u>3,000</u>	<u>-0-</u>	<u>3,000</u>	<u>2,440</u>
	\$ 48,000	\$ 9	\$ 47,991	\$ 7,056
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$ (47,800)	\$ 12,879	\$ (60,679)	\$ 5,674
Transfers from				
Other Funds	<u>40,000</u>	<u>40,000</u>	<u>-0-</u>	<u>1,000</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES AND OTHER SOURCES	\$ <u>(7,800)</u>	\$ 52,879	\$ <u>(60,679)</u>	\$ 6,674
Fund Balance at April 1,		<u>21,230</u>		<u>14,556</u>
FUND BALANCE AT MARCH 31,		\$ <u>74,109</u>		\$ <u>21,230</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
WEBBERVILLE BUILDING AUTHORITY
COMPARATIVE BALANCE SHEETS
MARCH 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Cash	<u>\$10,223</u> <u>\$10,223</u>	<u>\$10,203</u> <u>\$10,203</u>
Fund Balance	<u>10,223</u> <u>\$10,223</u>	<u>10,203</u> <u>\$10,203</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
WEBBERVILLE BUILDING AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES
YEARS ENDED MARCH 31, 2005 AND 2004

		<u>2005</u>	ACTUAL (OVER) UNDER BUDGET	<u>2004</u>
	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>		<u>ACTUAL</u>
REVENUES:				
Interest Income	\$ <u>-0-</u>	\$ <u>20</u>	\$ <u>(20)</u>	\$ <u>22</u>
TOTAL REVENUES	\$ <u>-0-</u>	\$ <u>20</u>	\$ <u>(20)</u>	\$ <u>22</u>
EXPENDITURES:				
Bldg. Repairs	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>1,515</u>
TOTAL EXPEND.	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>1,515</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	\$ <u>-0-</u>	\$ <u>20</u>	\$ <u>(20)</u>	\$ <u>(1,493)</u>
Fund Balance at April 1,		<u>10,203</u>		<u>11,696</u>
FUND BALANCE AT MARCH 31,		<u>\$10,223</u>		<u>\$10,203</u>

The accompanying notes are an integral
part of the financial statements.

ENTERPRISE FUND

Water and Sewer Fund - to account for the provision of Water and Sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration (utility director), operations, maintenance, financing and related debt service, and billing and collection.

VILLAGE OF WEBBERVILLE
WATER AND SEWER ENTERPRISE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

	<u>2005</u>			<u>2004</u>
	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u>	<u>TOTALS</u>
ASSETS				
Current Assets:				
Cash	\$ 92,707	\$ 84,013	\$ 176,720	\$ 171,628
Cert. of				
Deposit	-0-	49,439	49,439	48,858
Accrued Int.				
Receivable	-0-	281	281	21
Accts. Rec.	<u>26,986</u>	<u>40,046</u>	<u>67,032</u>	<u>47,779</u>
TOTAL CURRENT				
ASSETS	\$ 119,693	\$ 173,779	\$ 293,472	\$ 268,286
Restricted Cash & Other Assets:				
Cash	\$ 5,964	\$ 495,554	\$ 501,518	\$ 526,608
Cert. of				
Deposit	103,571	-0-	103,571	163,431
Accrued Int.				
Receivable	<u>466</u>	<u>1,086</u>	<u>1,552</u>	<u>1,236</u>
TOTAL RESTRICTED				
ASSETS	\$ <u>110,001</u>	\$ <u>496,650</u>	\$ <u>606,641</u>	\$ <u>691,275</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER ENTERPRISE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>		<u>2003</u>	
	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u>	<u>TOTALS</u>
ASSETS				
Property, Plant & Equipment:				
Utility				
Plant	\$2,882,850	\$2,914,740	\$5,797,590	\$5,797,590
Accumulated				
Deprec.	<u>(777,423)</u>	<u>(906,730)</u>	<u>(1,684,153)</u>	<u>(1,582,840)</u>
NET PROPERTY,				
PLANT AND				
EQUIPMENT	<u>\$2,105,427</u>	<u>\$2,008,010</u>	<u>\$4,113,437</u>	<u>\$4,214,750</u>
Unamortized Discounts on Bonds:				
Issued and				
Financing				
Costs	<u>\$ 55,092</u>	<u>\$ 33,765</u>	<u>\$ 88,857</u>	<u>\$ 95,519</u>
	<u>55,092</u>	<u>33,765</u>	<u>88,857</u>	<u>95,519</u>
TOTAL ASSETS	<u>\$2,390,213</u>	<u>\$2,712,194</u>	<u>\$5,102,407</u>	<u>\$5,269,830</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER ENTERPRISE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
MARCH 31, 2004 AND MARCH 31, 2003

	<u>2004</u>		<u>2003</u>	
	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u>	<u>TOTALS</u>
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Accts. Pay. \$	706	\$ 242	\$ 948	\$ 493
Acc. Int.				
Payable	36,787	21,978	58,765	62,255
Current Portion of Long-Term Debt	<u>89,900</u>	<u>55,100</u>	<u>145,000</u>	<u>140,000</u>
TOTAL CURRENT LIAB.	\$ <u>127,393</u>	\$ <u>77,320</u>	\$ <u>204,713</u>	\$ <u>202,748</u>
Long-Term Liabilities:				
Rev. Bonds	<u>\$1,277,200</u>	<u>\$ 782,800</u>	<u>\$2,060,000</u>	<u>\$2,205,000</u>
TOTAL LONG-TERM LIAB.	<u>\$1,277,200</u>	<u>\$ 782,800</u>	<u>\$2,060,000</u>	<u>\$2,205,000</u>
Fund Equity:				
Construction in Aid of Const.	\$ 650,375	\$ 556,031	\$1,206,406	\$1,206,406
Retained Earnings:				
Reserve per Revenue Bond Indenture	\$ 188,063	\$1,122,264	\$1,310,327	\$1,387,015
Unreserved	<u>147,182</u>	<u>173,779</u>	<u>320,961</u>	<u>268,661</u>
TOTAL RETAINED EARNINGS	<u>335,245</u>	<u>1,296,043</u>	<u>1,631,288</u>	<u>1,655,676</u>
TOTAL FUND EQUITY	<u>985,620</u>	<u>1,852,074</u>	<u>2,837,694</u>	<u>2,862,082</u>
TOTAL LIAB. & FUND EQUITY	<u>\$2,390,213</u>	<u>\$2,712,194</u>	<u>\$5,102,407</u>	<u>\$5,269,830</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS
FISCAL YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

		<u>2005</u>		<u>2004</u>
	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>	<u>COMBINED</u>
OPERATING REVENUES:				
Charges for				
Services	\$157,536	\$ 220,164	\$ 377,700	\$ 351,839
Penalties	-0-	5,046	5,046	4,205
Int. Income				
& Other	<u>5,387</u>	<u>9,116</u>	<u>14,503</u>	<u>18,360</u>
TOTAL REVENUES	\$162,923	\$ 234,326	\$ 397,249	\$ 374,404
Operating Exp:				
Supplies	\$ 6,419	\$ 31	\$ 6,450	\$ 8,066
Maintenance	71,379	41,153	112,532	64,313
Electrical				
Power	9,696	3,345	13,041	11,469
Labor	3,520	2,760	6,280	9,303
Misc.	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>144</u>
	\$ 91,014	\$ 47,289	\$ 138,303	\$ 93,295
Administration:				
Agent Fees	\$ 162	\$ 288	\$ 450	\$ 451
Salary	43,262	43,177	86,439	76,294
Audit	2,080	2,080	4,160	4,048
Supplies	11,800	11,800	23,600	23,600
Manatron Acctg.	511	480	991	655
Eng./Attorney	3,101	8,013	11,114	7,500
Tele. & Misc.	1,128	1,437	2,565	5,271
Insurance	<u>3,030</u>	<u>1,966</u>	<u>4,986</u>	<u>6,230</u>
	\$ 65,064	\$ 69,241	\$ 134,305	\$ 124,049
Other Expenses:				
Depreciation	\$ 53,196	\$ 48,117	\$ 101,313	\$ 102,834
Amortization	4,132	2,532	6,664	6,664
Int. Exp.	<u>52,414</u>	<u>93,181</u>	<u>145,595</u>	<u>153,957</u>
	\$109,742	\$ 143,830	\$ 253,572	\$ 263,455
TOTAL EXPENSES	\$265,820	\$ 260,360	\$ 526,180	\$ 480,799

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS (CONTINUED)
FISCAL YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

	<u>2005</u>			<u>2004</u>
	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>	<u>COMBINED</u>
Net Income (Loss)				
Before Operating				
Transfers	\$ (102,897)	\$ (26,034)	\$ (128,931)	\$ (106,395)
Operating Transfers:				
Transfer from				
Component				
Unit	<u>56,836</u>	<u>47,707</u>	<u>104,543</u>	<u>108,356</u>
NET INCOME				
(LOSS)	\$ (46,061)	\$ 21,673	\$ (24,388)	\$ 1,961
Retained Earnings-				
Beginning of				
Year	<u>381,306</u>	<u>1,274,370</u>	<u>1,655,676</u>	<u>1,653,715</u>
RETAINED EARNINGS				
END OF YEAR	<u>\$335,245</u>	<u>\$1,296,043</u>	<u>\$1,631,288</u>	<u>\$1,655,676</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

	<u>2005</u>			<u>2004</u>
	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>	<u>COMBINED</u>
Cash Flows from Operating Activities:				
Net Income				
(Loss)	\$ (46,061)	\$ 21,673	\$ (24,388)	\$ 1,961
Adjustments from Operating Activities:				
Depreciation	\$ 53,196	\$ 48,117	\$ 101,313	\$ 102,834
Amortization	4,132	2,532	6,664	6,664
Increase (Decrease)				
in Int. Rec.	(95)	(481)	(576)	(39)
Increase (Decrease)				
in Accts. Rec.	(7,364)	(11,891)	(19,255)	5,770
Increase (Decrease)				
in Accts. Pay	706	(251)	455	(2,034)
Increase (Decrease)				
in Accrued Exp.	<u>(2,185)</u>	<u>(1,305)</u>	<u>(3,490)</u>	<u>(2,754)</u>
	\$ 2,329	\$ 58,394	\$ 60,723	\$ 112,402
Cash Flows from Capital & Related Financing:				
Capital Expend.	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Cash Flows from Financing Activities:				
Reduction of Bonds				
Payable	\$ (86,800)	\$ (53,200)	\$ (140,000)	\$ (135,000)
Net Increase (Decrease)				
in Cash & Cash				
Equiv.	\$ (84,471)	\$ 5,194	\$ (79,277)	\$ (22,598)

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
FISCAL YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

	<u>2005</u>			<u>2004</u>
	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>	<u>COMBINED</u>
Cash and Cash Equivalents Beginning of Year	\$ <u>286,713</u>	\$ <u>623,812</u>	\$ <u>910,525</u>	\$ <u>933,123</u>
CASH & CASH EQUIVALENTS END OF YEAR	\$ <u>202,242</u>	\$ <u>629,006</u>	\$ <u>831,248</u>	\$ <u>910,525</u>
Supplemental Disclosure of Cash Flow Information:				
Cash Paid During the Year For:				
Interest	\$ <u>55,161</u>	\$ <u>93,924</u>	\$ <u>149,085</u>	\$ <u>156,713</u>

Disclosure of Accounting Policy:

For purposes of the statement of cash flows, the Village considers all highly liquid investments, such as certificates of deposits, to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER ENTERPRISE FUND
BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

ASSETS

	<u>2005</u>	<u>2004</u>
CURRENT ASSETS:		
Cash	\$ 92,707	\$ 96,467
Accounts Receivable	<u>26,986</u>	<u>19,624</u>
TOTAL CURRENT ASSETS	\$ <u>119,693</u>	\$ <u>116,091</u>
RESTRICTED CASH & OTHER:		
Cash	\$ 5,964	\$ 141,217
Certificate of Deposit	103,571	49,029
Accrued Int. Rec.	<u>466</u>	<u>371</u>
TOTAL RESTRICTED ASSETS	\$ <u>110,001</u>	\$ <u>190,617</u>
PROPERTY, PLANT & EQUIPMENT:		
Utility Plant	\$2,882,850	\$2,882,850
Accumulated Depreciation	<u>(777,423)</u>	<u>(724,227)</u>
NET PROPERTY, PLANT & EQUIPMENT	\$ <u>2,105,427</u>	\$ <u>2,158,623</u>
UNAMORTIZED DISCOUNTS:		
Issued & Financing Costs	\$ <u>55,092</u>	\$ <u>59,222</u>
TOTAL ASSETS	\$ <u><u>2,390,213</u></u>	\$ <u><u>2,524,553</u></u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER ENTERPRISE FUND
BALANCE SHEET (CONTINUED)
MARCH 31, 2005 AND MARCH 31, 2004

LIABILITIES AND FUND EQUITY

	<u>2005</u>	<u>2004</u>
CURRENT LIABILITIES:		
Accounts Payable	\$ 706	\$ -0-
Accrued Interest Payable	36,787	38,972
Current Portion of Long-Term Debt	<u>89,900</u>	<u>86,800</u>
TOTAL CURRENT LIABILITIES	\$ 127,393	\$ 125,772
LONG-TERM LIABILITIES:		
Revenue Bonds	<u>\$1,277,200</u>	<u>\$1,367,100</u>
TOTAL LONG-TERM LIABILITIES	\$1,277,200	\$1,367,100
FUND EQUITY:		
Contribution in Aid of Construction	\$ 650,375	\$ 650,375
RETAINED EARNINGS:		
Reserved per Revenue Bond Indenture	\$ 188,063	\$ 264,840
Unreserved	<u>147,182</u>	<u>116,466</u>
TOTAL RETAINED EARNINGS	\$ <u>335,245</u>	\$ <u>381,306</u>
FUND EQUITY	<u>985,620</u>	<u>1,031,681</u>
TOTAL LIABILITIES AND RETAINED EARNINGS	<u>\$2,390,213</u>	<u>\$2,524,553</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER SUPPLY SYSTEM
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS
FISCAL YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

	<u>2005</u>		<u>2004</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
OPERATING REVENUES:				
Charges for				
Services	\$144,508	\$157,536	\$ (13,028)	\$ 153,719
Int. & Misc.				
Income	<u>4,500</u>	<u>5,387</u>	<u>(887)</u>	<u>8,906</u>
TOTAL OPERATING				
REVENUES	\$149,008	\$162,923	\$ (13,915)	\$ 162,625
Operating Expenses:				
Supplies	\$ 9,000	\$ 6,419	\$ 2,581	\$ 5,806
Maintenance	91,000	71,379	19,621	20,377
Electrical Power	9,000	9,696	(696)	8,168
Labor	5,000	3,520	1,480	4,936
Misc.	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>72</u>
	\$114,000	\$ 91,014	\$ 22,986	\$ 39,359
Administration:				
Agent Fees	\$ -0-	\$ 162	\$ (162)	\$ 167
Salary	46,500	43,262	3,238	38,936
Audit	2,400	2,080	320	2,024
Supplies	11,800	11,800	-0-	11,800
Manatron Acctg.	2,000	511	1,489	532
Eng./Atty.	4,000	3,101	899	1,152
Tele. & Misc.	4,400	1,128	3,272	3,304
Insurance	<u>3,500</u>	<u>3,020</u>	<u>480</u>	<u>3,900</u>
	\$ 74,600	\$ 65,064	\$ 9,536	\$ 61,815

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER SUPPLY SYSTEM
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS (CONTINUED)
FISCAL YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

		<u>2005</u>		<u>2004</u>
	AMENDED		ACTUAL	
	BUDGET	ACTUAL	(OVER)	ACTUAL
			UNDER	
			BUDGET	
Other Expenses:				
Depreciation \$	-0-	\$ 53,196	\$ (53,196)	\$ 52,534
Amortization	-0-	4,132	(4,132)	4,132
Int. Exp.	<u>70,000</u>	<u>52,414</u>	<u>17,586</u>	<u>56,964</u>
	\$ <u>70,000</u>	\$ <u>109,742</u>	\$ <u>(39,742)</u>	\$ <u>113,630</u>
TOTAL EXPENSES	\$ <u>258,600</u>	\$ <u>265,820</u>	\$ <u>(7,220)</u>	\$ <u>214,804</u>
Net Income Before				
Operating				
Transfers	\$ (109,592)	\$ (102,897)	\$ (6,695)	\$ (52,179)
Operating Transfers:				
Transfers From				
Component				
Unit	<u>30,000</u>	<u>56,836</u>	(<u>26,836</u>)	<u>58,992</u>
NET INCOME				
(LOSS)	\$ <u>(79,592)</u>	\$ (46,061)	\$ <u>(33,531)</u>	\$ 6,813
Retained Earnings - Beginning				
of Year		<u>381,306</u>		<u>374,493</u>
RETAINED EARNINGS -				
END OF YEAR		\$ <u>335,245</u>		\$ <u>381,306</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FISCAL YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

	<u>2005</u>	<u>2004</u>
Cash Flows from Operating Activities:		
Net Income (Loss)	\$(46,061)	\$ 6,813
Adjustments from Operating Activities:		
Depreciation	\$ 53,196	\$ 52,534
Amortization	4,132	4,132
(Increase) Decrease in		
Interest Receivable	(95)	(15)
(Increase) Decrease in Accts.		
Receivable	(7,364)	1,219
Increase (Decrease) in		
Accts. Payable	706	(1,800)
Increase (Decrease) in		
Accrued Expenses	<u>(2,185)</u>	<u>(1,724)</u>
	\$ 2,329	\$ 61,159
Cash Flows from Investing Activities:		
Capital Expenditures	\$ -0-	\$ -0-
Cash Flows from Financing Activities:		
Reduction of Bonds		
Payable	\$(86,800)	\$ (83,700)
Net Increase (Decrease) in		
Cash & Cash Equivalents	\$(84,471)	\$ (22,541)
Cash & Cash Equivalents		
Beginning of Year	<u>286,713</u>	<u>309,254</u>
CASH & CASH EQUIVALENTS		
END OF YEAR	<u>\$202,242</u>	<u>\$ 286,713</u>
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	<u>\$ 55,161</u>	<u>\$ 57,984</u>

Disclosure of Accounting Policy:

For purposes of the statement of cash flows, the Village considers investments, such as certificates of deposit, to be cash equivalents.

VILLAGE OF WEBBERVILLE
SEWER ENTERPRISE FUND
BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 84,013	\$ 75,161
Certificate of Deposit	49,439	48,858
Accounts Receivable	40,046	28,155
Accrued Interest Receivable	281	21
TOTAL CURRENT ASSETS	<u>\$ 173,779</u>	<u>\$ 152,195</u>
RESTRICTED CASH & OTHER:		
Cash	\$ 495,554	\$ 385,391
Cert. of Deposit	-0-	114,402
Accrued Int. Rec.	1,086	865
TOTAL RESTRICTED ASSETS	<u>\$ 496,640</u>	<u>\$ 500,658</u>
PROPERTY, PLANT & EQUIPMENT:		
Utility Plant	\$2,914,740	\$2,914,740
Accumulated Depreciation	<u>(906,730)</u>	<u>(858,613)</u>
NET PROPERTY, PLANT & EQUIPMENT	<u>\$2,008,010</u>	<u>\$2,056,127</u>
UNAMORTIZED DISCOUNTS:		
Issued & Financing Costs	\$ 33,765	\$ 36,297
	<u>\$2,712,194</u>	<u>\$2,745,277</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
SEWER ENTERPRISE FUND
BALANCE SHEET (CONTINUED)
MARCH 31, 2005 AND MARCH 31, 2004

LIABILITIES AND FUND EQUITY

	<u>2005</u>	<u>2004</u>
CURRENT LIABILITIES:		
Accts. Payable	\$ 242	\$ 493
Accrued Int. Payable	21,978	23,283
Current Portion of Long-Term Debt	<u>55,100</u>	<u>53,200</u>
TOTAL CURRENT LIABILITIES	\$ 77,320	\$ 76,976
LONG-TERM LIABILITIES:		
Revenue Bonds	<u>\$ 782,800</u>	<u>\$ 837,900</u>
TOTAL LONG-TERM LIABILITIES	\$ 782,800	\$ 837,900
FUND EQUITY:		
Contribution in Aid of Construction	\$ 556,031	\$ 556,031
RETAINED EARNINGS:		
Reserved per Revenue Bond Indenture	\$1,122,264	\$1,122,175
Unreserved	<u>173,779</u>	<u>152,195</u>
TOTAL RETAINED EARNINGS	<u>\$1,296,043</u>	<u>\$1,274,370</u>
TOTAL FUND EQUITY	<u>1,852,074</u>	<u>1,830,401</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$2,712,194</u>	<u>\$2,745,277</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
SANITARY SEWAGE COLLECTION AND TREATMENT SYSTEM
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS
FISCAL YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

		<u>2005</u>		<u>2004</u>
	<u>AMENDED</u>		ACTUAL (OVER) UNDER	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
OPERATING REVENUES:				
Charges for				
Services	\$ 200,000	\$ 220,164	\$ (20,164)	\$ 198,120
Penalties	5,700	5,046	654	4,205
Interest &				
Misc. Income	<u>1,000</u>	<u>9,116</u>	<u>(8,116)</u>	<u>9,454</u>
TOTAL REVENUES	\$ 206,700	\$ 234,326	\$ (27,626)	\$ 211,779
Operating Expenses:				
Supplies	\$ 8,000	\$ 31	\$ 7,969	\$ 2,260
Maintenance	55,500	41,153	14,347	43,936
Electrical Power	3,800	3,345	455	3,301
Labor	5,000	2,760	2,240	4,367
Miscellaneous	<u>500</u>	<u>-0-</u>	<u>500</u>	<u>72</u>
	\$ 72,800	\$ 47,289	\$ 25,511	\$ 53,936
Administration:				
Agent Fees	\$ -0-	\$ 288	\$ (288)	\$ 284
Salary	47,000	43,177	3,823	37,358
Audit	2,200	2,080	120	2,024
Supplies	11,800	11,800	-0-	11,800
Manatron Acctg.	1,000	480	520	123
Eng./Atty.	8,800	8,013	787	6,348
Tele./Misc.	1,600	1,437	163	1,967
Improvements	25,000	-0-	25,000	-0-
Insurance	<u>3,000</u>	<u>1,966</u>	<u>1,034</u>	<u>2,330</u>
	\$ 100,400	\$ 69,241	\$ 31,159	\$ 62,234
Other Expenses:				
Depreciation	\$ -0-	\$ 48,117	\$ (48,117)	\$ 50,300
Amortization	-0-	2,532	(2,532)	2,532
Int. Exp.	<u>130,000</u>	<u>93,181</u>	<u>36,819</u>	<u>96,993</u>
	\$ 130,000	\$ 143,830	\$ (13,830)	\$ 149,825
TOTAL EXPENSE	\$ 303,200	\$ 260,360	\$ 42,840	\$ 265,995
NET INCOME (LOSS)				
BEFORE OPERATING				
TRANSFER	\$ (96,500)	\$ (26,034)	\$ (70,466)	\$ (54,216)

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
SANITARY SEWAGE COLLECTION AND TREATMENT SYSTEM
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN RETAINED EARNINGS (CONTINUED)
FISCAL YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

		<u>2005</u>		<u>2004</u>
	AMENDED		ACTUAL	
	BUDGET	ACTUAL	(OVER)	ACTUAL
			UNDER	
			BUDGET	
			BUDGET	ACTUAL
OPERATING TRANSFERS:				
Transfer from				
Component				
Unit	\$ -0-	\$ 47,707	\$ (47,707)	\$ 49,364
NET INCOME				
(LOSS)	\$ (96,500)	\$ 21,673	\$ (118,173)	\$ (4,852)
Retained Earnings -				
Beginning of Year		<u>1,274,370</u>		<u>1,279,222</u>
RETAINED EARNINGS -				
END OF YEAR		<u>\$1,296,043</u>		<u>\$1,274,370</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
SEWER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FISCAL YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

	<u>2005</u>	<u>2004</u>
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ 21,673	\$ (4,852)
Adjustments from Operating Activities:		
Depreciation	\$ 48,117	\$ 50,300
Amortization	2,532	2,532
(Increase) Decrease in		
Interest Receivable	(481)	(24)
(Increase) Decrease in		
Accounts Receivable	(11,891)	4,551
Increase (Decrease) in		
Accounts Payable	(251)	(234)
Increase (Decrease) in		
Accrued Expenses	<u>(1,305)</u>	<u>(1,030)</u>
	\$ 58,394	\$ 51,243
Cash Flows from Investing Activities:		
Capital Expenditures	\$ -0-	\$ -0-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Reduction of Bonds Payable	\$ <u>(53,200)</u>	\$ <u>(51,300)</u>
	\$ <u>(53,200)</u>	\$ <u>(51,300)</u>
Net Increase (Decrease)		
in Cash and Cash		
Equivalents	\$ 5,194	\$ (57)
Cash and Cash Equivalents		
Beginning of Year	<u>623,812</u>	<u>623,869</u>
CASH AND CASH EQUIVALENTS		
END OF YEAR	\$ <u>629,006</u>	\$ <u>623,812</u>
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year For:		
Interest	\$ <u>93,924</u>	\$ <u>98,729</u>

Disclosure of Accounting Policy:
For purposes of the statement of cash flows, the Village considers all highly liquid investments, such as certificates of deposit to be cash equivalents.

INTERNAL SERVICE FUNDS

MOTOR VEHICLE POOL FUND

Motor Vehicle Pool Fund is used to account for intergovernmental charges for operating expenses of vehicles of the Department of Public Works. Disbursements from this fund pay those various operating expenses. Accumulation of monies in this fund will be used for replacement of such vehicles.

VILLAGE OF WEBBERVILLE
MOTOR VEHICLE POOL FUND
BALANCE SHEET
MARCH 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Cash	\$ 16,505	\$ 20,594
Equipment	164,933	164,933
Accumulated Depreciation on Equipment	(<u>162,474</u>)	(<u>161,170</u>)
	\$ <u>18,964</u>	\$ <u>24,357</u>

LIABILITIES AND RETAINED EARNINGS

Accounts Payable	\$ -0-	\$ -0-
Retained Earnings	<u>18,964</u>	<u>24,357</u>
	\$ <u>18,964</u>	\$ <u>24,357</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
MOTOR VEHICLE POOL FUND
STATEMENT OF REVENUES AND EXPENDITURES
AND ANALYSIS OF CHANGES IN FUND BALANCES
YEARS ENDED MARCH 31, 2005 AND 2004

		<u>2005</u>		<u>2004</u>
	<u>AMENDED</u>		ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
OPERATING REVENUES:				
Interest				
Income	\$ 500	\$ 76	\$ 424	\$ 175
Charges for				
Services from				
Other Funds	<u>33,000</u>	<u>33,690</u>	<u>(690)</u>	<u>34,652</u>
TOTAL REVENUES	\$ 33,500	\$ 33,766	\$ (266)	\$ 34,827
OPERATING EXPENSES:				
Insurance	\$ 4,200	\$ 4,195	\$ 5	\$ 3,933
Dept. of Public				
Works	<u>21,000</u>	<u>14,964</u>	<u>6,036</u>	<u>13,474</u>
TOTAL EXPEND.	\$ <u>25,200</u>	\$ <u>19,159</u>	\$ <u>6,041</u>	\$ <u>17,407</u>
EXCESS OF REVENUES (UNDER) OVER				
EXPENDITURES	\$ 8,300	\$ 14,607	\$ (6,307)	\$ 17,420
Transfers to Other				
Funds	\$ <u>(20,000)</u>	\$ <u>(20,000)</u>	<u>-0-</u>	<u>(10,000)</u>
NET INCOME				
(LOSS)	\$ <u>(11,700)</u>	\$ (5,393)	\$ <u>(6,307)</u>	\$ 7,420
Retained Earnings				
at April 1,		<u>24,357</u>		<u>16,937</u>
RETAINED EARNINGS AT				
MARCH 31,		\$ <u>18,964</u>		\$ <u>24,357</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
MOTOR VEHICLE POOL FUND
STATEMENT OF CASH FLOWS
- YEAR ENDED MARCH 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Cash Flows from Operating Activities:		
Net Income (Loss)	\$ (5,393)	\$ 7,420
Adjustments from Operating Activities:		
Depreciation	\$ 1,304	\$ 1,304
Increase (Decrease) in Accts. Receivable	-0-	-0-
Increase (Decrease) in Accounts Payable	-0-	-0-
	<u>\$ 1,304</u>	<u>\$ 1,304</u>
Increase (Decrease) in Cash and Cash Equivalents	\$ (4,089)	\$ 8,724
Cash and Cash Equivalents Beginning of Year	<u>20,594</u>	<u>11,870</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ <u>16,505</u>	\$ <u>20,594</u>

Disclosure of Accounting Policy:

For purpose of the statement of cash flows, the Village considers investments, such as certificates of deposit, to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUNDS

WATER AND SEWER DISTRIBUTION FUND

This fund is used to distribute water, sewer and garbage monies to the proper fund.

PAYROLL FUND

Payroll Fund is used to account for the payroll paid to employees and the related payroll taxes and employee benefits.

CURRENT TAX COLLECTION FUND

Current Tax Collection Fund is used to receive the Village's current tax collections and to distribute such monies to the Village funds involved therein.

VILLAGE OF WEBBERVILLE
 COMBINING STATEMENT OF CASH AND LIABILITIES
 FIDUCIARY FUND TYPES
 - YEARS ENDED MARCH 31, 2005 AND 2004

	2005			2004	
	WATER AND SEWER DIST.	PAYROLL FUND	TAX FUND	COMBINED	COMBINED
Cash	\$ 426	\$15,672	\$ 878	\$16,976	\$ 1,407
Due from General	<u>426</u>	<u>35</u>	<u>878</u>	<u>35</u>	<u>-0-</u>
	<u>\$ 426</u>	<u>\$15,707</u>	<u>\$ 878</u>	<u>\$17,011</u>	<u>\$ 1,407</u>
Payroll/Payroll					
Taxes Payable	\$ -0-	\$15,002	\$ -0-	\$15,002	\$ -0-
Medical Insurance					
Payable	-0-	-0-	-0-	-0-	-0-
Retirement					
Payable	-0-	705	-0-	705	-0-
Due to other Funds	<u>426</u>	<u>-0-</u>	<u>878</u>	<u>1,304</u>	<u>1,407</u>
	<u>\$ 426</u>	<u>\$15,707</u>	<u>\$ 878</u>	<u>\$17,011</u>	<u>\$ 1,407</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER DISTRIBUTION FUND
BALANCE SHEET
MARCH 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Cash	\$ <u>426</u>	\$ <u>556</u>

LIABILITIES AND FUND BALANCE

Due to Other Funds	\$ <u>426</u>	\$ <u>556</u>
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The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
PAYROLL FUND
BALANCE SHEETS
MARCH 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Cash	\$15,672	\$ 7
Due from General	<u>35</u>	<u>-0-</u>
	<u>\$15,707</u>	<u>\$ 7</u>

LIABILITIES AND FUND BALANCE

Payroll/Payroll Taxes Payable	\$15,002	\$ -0-
Retirement Payable	705	-0-
Due to General	<u>-0-</u>	<u>7</u>
	<u>\$15,707</u>	<u>\$ 7</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Cash	\$ <u>878</u>	\$ <u>844</u>
Due to Other Funds	\$ <u>878</u>	\$ <u>844</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

	CASH BALANCE 4-01-04	ADDITIONS	DEDUCTIONS	CASH BALANCE 3-31-05
<u>WATER AND SEWER DISTRIBUTION FUNDS</u>				
<u>ASSETS</u>				
Cash	\$ 556	\$399,391	\$399,521	\$ 426
	<u>\$ 556</u>	<u>\$399,391</u>	<u>\$399,521</u>	<u>\$ 426</u>
<u>LIABILITIES</u>				
Undistributed Customer Billings Due to Other Funds	\$ -0-	\$399,391	\$399,391	\$ -0-
	<u>556</u>	<u>-0-</u>	<u>130</u>	<u>426</u>
	<u>\$ 556</u>	<u>\$399,391</u>	<u>\$399,521</u>	<u>\$ 426</u>
<u>PAYROLL FUND</u>				
<u>ASSETS</u>				
Cash	\$ 7	\$223,776	\$208,111	\$15,672
Due from Other Funds	<u>-0-</u>	<u>35</u>	<u>-0-</u>	<u>35</u>
Cash	<u>\$ 7</u>	<u>\$223,811</u>	<u>\$208,111</u>	<u>\$15,707</u>
<u>LIABILITIES</u>				
Payroll Taxes Payable	\$ -0-	\$ 33,943	\$ 33,762	\$ 181
Retirement Payable	-0-	11,421	10,717	704
Insurance Payable	-0-	50,511	50,511	-0-
Due to Other Funds	7	-0-	7	-0-
Payroll Payable	<u>-0-</u>	<u>127,936</u>	<u>113,114</u>	<u>14,822</u>
	<u>\$ 7</u>	<u>\$223,816</u>	<u>\$208,111</u>	<u>\$15,707</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

	CASH BALANCE <u>4-01-04</u>	ADDITIONS	DEDUCTIONS	CASH BALANCE <u>3-31-05</u>
<u>CURRENT TAX COLLECTION FUND</u>				
<u>ASSETS</u>				
Cash	\$ <u>844</u>	\$ <u>741,758</u>	\$ <u>741,724</u>	\$ <u>878</u>
<u>LIABILITIES</u>				
Due to Other Funds	\$ <u>844</u>	\$ <u>741,758</u>	\$ <u>741,724</u>	\$ <u>878</u>
	\$ <u>844</u>	\$ <u>741,758</u>	\$ <u>741,724</u>	\$ <u>878</u>

COMBINED AMOUNTS

<u>ASSETS</u>				
Cash	\$1,407	\$1,364,925	\$1,349,356	\$16,976
Due from Other Funds	<u>-0-</u>	<u>35</u>	<u>35</u>	<u>35</u>
	\$ <u>1,407</u>	\$ <u>1,364,960</u>	\$ <u>1,349,356</u>	\$ <u>17,011</u>
<u>LIABILITIES</u>				
Due to Other Funds	\$1,407	\$ 741,758	\$ 741,861	\$ 1,304
Payroll Taxes Payable	-0-	33,943	33,762	181
Retirement Pay.	-0-	11,421	10,717	704
Insurance Pay.	-0-	50,511	50,511	-0-
Payroll Payable	-0-	127,936	113,114	14,822
Undistributed Cust. Billings	<u>-0-</u>	<u>399,391</u>	<u>399,391</u>	<u>-0-</u>
	\$ <u>1,407</u>	\$ <u>1,364,960</u>	\$ <u>1,349,356</u>	\$ <u>17,011</u>

The accompanying notes are an integral part of the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in
proprietary fund operations or accounted
for in trust funds.

VILLAGE OF WEBBERVILLE
GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
MARCH 31, 2005

ASSETS

Buildings and Land	\$1,421,322
Office Equipment	61,651
Police Equipment	10,598
DPW Equipment	191,508
Other Fixtures and Equipment	<u>865</u>
	<u>\$1,685,944</u>

FUND BALANCE

Investment in General Fixed Assets	<u>\$1,685,944</u>
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The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
GENERAL FIXED ASSETS FUND
ANALYSIS OF CHANGES IN GENERAL FIXED ASSETS
YEAR ENDED MARCH 31, 2005

	3-31-04 <u>BALANCES</u>	<u>INCREASES</u>	<u>DECREASES</u>	3-31-05 <u>BALANCES</u>
Building and				
Land	\$1,421,322	\$ -0-	\$ -0-	\$1,421,322
Office Equip.	61,651	-0-	-0-	61,651
Police Equip.	10,598	-0-	-0-	10,598
DPW Equip.	191,508	-0-	-0-	191,508
Other Fixtures				
and Equip.	865	-0-	-0-	865
	<u>\$1,685,944</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$1,685,944</u>

The accompanying notes are an integral part of the financial statements.

GENERAL LONG-TERM DEBT

To account for the long-term contract payable for a bridge in the Local Street Fund, as well as Downtown Development Authority indebtedness.

VILLAGE OF WEBBERVILLE
GENERAL LONG-TERM DEBT ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Amount to be Provided for the Retirement of Contracts	\$ <u>654,846</u>	\$ <u>674,846</u>

LIABILITIES

Loans Payable	\$ <u>654,846</u>	\$ <u>674,846</u>
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The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
ANALYSIS OF CHANGE IN FUND BALANCE
GENERAL LONG-TERM DEBT
MARCH 31, 2005

	<u>BALANCE</u> <u>3-31-04</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE</u> <u>3-31-05</u>
Bank Mortgage -				
Building	\$ 190,000	\$	\$ 20,000	\$ 170,000
Notes Payable				
DDA	<u>484,846</u>			<u>484,846</u>
	<u>\$ 674,846</u>	<u>\$ -0-</u>	<u>\$ 20,000</u>	<u>\$ 654,846</u>

The accompanying notes are an integral
part of the financial statements.

FINANCIAL STATEMENTS
OF
DISCRETELY PRESENTED COMPONENT UNITS

DOWNTOWN DEVELOPMENT AUTHORITY

The Downtown Development Authority (DDA) Fund is used to account for the operations of the Webberville DDA. Financing for DDA operations was provided by the General Fund. Resources of this fund are used for the administration of the Authority and planning of improvements in the downtown district.

VILLAGE OF WEBBERVILLE
DOWNTOWN DEVELOPMENT AUTHORITY
MARCH 31, 2005 AND 2004

ASSETS

	<u>2005</u>	<u>2004</u>
Cash	\$284,415	\$116,567
Due from Other Governmental Units	<u>392,329</u>	<u>411,580</u>
	<u>\$676,744</u>	<u>\$528,147</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 31,102	\$ 76,919
Accrued Interest Payable	<u>9,786</u>	<u>-0-</u>
TOTAL LIABILITIES	\$ 40,888	\$ 76,919
Fund Balance	<u>635,856</u>	<u>451,228</u>
	<u>\$676,744</u>	<u>\$528,147</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
DOWNTOWN DEVELOPMENT AUTHORITY
YEAR ENDED MARCH 31, 2005 AND 2004

	<u>2005</u>		<u>2004</u>	
	AMENDED <u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Income from LTD				
Financing	\$ -0-	\$ -0-	\$ -0-	\$ 484,846
Int. & Misc.	1,000	4,981	(3,981)	2,183
Rent Income	-0-	2,982	(2,982)	2,839
Other Gov't.				
Units	<u>631,579</u>	<u>431,671</u>	<u>199,908</u>	<u>296,801</u>
TOTAL REV.	\$ <u>632,579</u>	\$ <u>439,634</u>	\$ <u>192,945</u>	\$ <u>786,669</u>
EXPENDITURES:				
J. America	\$	\$ -0-	\$	\$ -0-
Facade Grant		10,000		9,702
Inspections		218		-0-
Adv. & Promo.		389		1,650
Sidewalks		-0-		3,516
Audit		800		700
Contracted Serv.		12,059		10,473
Legal		12,404		22,431
Office Exp.		910		2,021
Engineering		639		603
Option Fees		-0-		1,500
Recording Salary		500		600
Loan Fees		-0-		38,736
Long-Term Debt/Int. Exp.		21,175		686,642
Drains		236,368		385
Publishing		327		760
Street Lights		8,875		8,941
Parking Lot				
Paving		-0-		1,750
TOTAL EXPEND.	\$ <u>842,690</u>	\$ <u>304,664</u>	\$ <u>538,026</u>	\$ <u>790,410</u>

The accompanying notes are an integral
part of the financial statements

VILLAGE OF WEBBERVILLE
DOWNTOWN DEVELOPMENT AUTHORITY
YEAR ENDED MARCH 31, 2005 AND 2004

	<u>2005</u>		<u>2004</u>
AMENDED BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	ACTUAL
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES \$ (210,111)	\$ 134,970	\$ (345,081)	\$ (3,741)
OTHER FINANCING SOURCES:			
Transfer from Primary Government \$ -0-	\$ 204,087	\$ (204,087)	\$ 218,552
Transfer to Primary Government (250,543)	(154,429)	(96,114)	(159,277)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND TRANSFERS \$(460,654)	\$ 184,628	\$ (645,282)	\$ 55,534
Fund Balance at April 1,	<u>451,228</u>		<u>395,694</u>
FUND BALANCE AT MARCH 31,	\$ <u>635,856</u>		\$ <u>451,228</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
WATER AND SEWER SYSTEM
DEBT SERVICE CHARGES TO MATURITY ON BONDED INDEBTEDNESS
1994 BOND
MARCH 31, 2005

<u>YEAR ENDED</u> <u>MARCH 31,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2006	\$ 145,000	\$ 141,035	\$ 286,035
2007	155,000	131,900	286,900
2008	160,000	122,135	282,135
2009	165,000	112,055	277,055
2010	170,000	101,660	271,660
2011	170,000	90,950	260,950
2012	180,000	80,240	260,240
2013	180,000	68,900	248,900
2014	195,000	57,200	252,200
2015	125,000	44,525	169,525
2016	130,000	36,400	166,400
2017	135,000	27,950	162,950
2018	145,000	19,175	164,175
2019	<u>150,000</u>	<u>9,750</u>	<u>159,750</u>
	<u>\$2,205,000</u>	<u>\$1,043,875</u>	<u>\$3,248,875</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF WEBBERVILLE
BUILDING AUTHORITY BONDS
MARCH 31, 2005

<u>YEAR ENDED</u> <u>MARCH 31,</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
2006	\$ 13,490	\$ 20,000	\$ 33,490
2007	12,240	25,000	37,240
2008	10,512	25,000	35,512
2009	8,700	25,000	33,700
2010	6,888	30,000	36,888
2011	4,712	30,000	34,712
2012	<u>2,538</u>	<u>35,000</u>	<u>37,538</u>
	<u>\$ 59,080</u>	<u>\$190,000</u>	<u>\$249,080</u>

The accompanying notes are an integral
part of the financial statements.

Village of Webberville
Downtown Development Authority
Republic Bank Loan - 4.09%

<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
5/1/2006	\$ 4,309.74	\$ 3,190.46	\$ 7,500.20
11/1/2006	4,309.74	3,153.24	7,462.98
5/1/2007	4,309.74	3,013.21	7,322.95
11/1/2007	4,309.74	2,973.06	7,282.80
5/1/2008	4,309.74	2,851.63	7,161.37
11/1/2008	4,309.74	2,792.87	7,102.61
5/1/2009	4,309.74	2,658.71	6,968.45
11/1/2009	4,309.74	2,612.69	6,922.43
5/1/2010	4,309.74	2,481.47	6,791.21
11/1/2010	4,309.74	2,432.50	6,742.24
5/1/2011	4,309.74	2,304.22	6,613.96
11/1/2011	4,309.74	2,252.32	6,562.06
5/1/2012	4,309.74	2,138.72	6,448.46
11/1/2012	4,309.74	2,072.13	6,381.87
5/1/2013	4,309.74	1,949.72	6,259.46
11/1/2013	4,309.74	1,891.95	6,201.69
5/1/2014	4,309.74	1,772.48	6,082.22
11/1/2014	4,309.74	1,711.76	6,021.50
5/1/2015	4,309.74	1,595.23	5,904.97
11/1/2015	4,309.74	1,531.58	5,841.32
5/1/2016	4,309.74	1,425.82	5,735.56
11/1/2016	4,309.74	1,351.39	5,661.13
5/1/2017	4,309.74	1,240.73	5,550.47
11/1/2017	4,309.74	1,171.21	5,480.95
5/1/2018	4,309.74	1,063.49	5,373.23
11/1/2018	4,309.74	991.02	5,300.76
5/1/2019	4,309.74	886.24	5,195.98
11/1/2019	4,309.74	810.84	5,120.58
5/1/2020	4,309.74	712.91	5,022.65
11/1/2020	4,309.74	630.65	4,940.39
5/1/2021	4,309.74	531.74	4,841.48
11/1/2021	4,309.74	450.47	4,760.21
5/1/2022	4,309.74	354.50	4,664.24
11/1/2022	4,309.74	270.28	4,580.02
5/1/2023	4,309.74	177.25	4,486.99
11/1/2023	<u>4,309.85</u>	<u>90.09</u>	<u>4,399.94</u>
	\$ <u>155,150.75</u>	\$ <u>59,538.58</u>	\$ <u>214,689.33</u>

The accompanying notes are an integral
part of the financial statements.

VILLAGE OF WEBBERVILLE
DOWNTOWN DEVELOPMENT AUTHORITY
REPUBLIC BANK LOAN 6.00%

<u>DUE DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
05/01	\$ 9,158.20	\$ 9,945.83	\$ 19,104.03
11/01	9,158.20	9,829.83	18,988.03
05/01	9,158.20	9,393.28	18,551.48
11/01	9,158.20	9,268.12	18,426.32
05/01	9,158.20	8,889.58	18,047.78
11/01	9,158.20	8,706.42	17,864.62
05/01	9,158.20	8,288.19	17,446.39
11/01	9,158.20	8,144.71	17,302.91
05/01	9,158.20	7,735.65	16,893.85
11/01	9,158.20	7,583.01	16,741.21
05/01	9,158.20	7,183.10	16,341.30
11/01	9,158.20	7,021.31	16,179.51
05/01	9,158.20	6,667.19	15,825.39
11/01	9,158.20	6,459.60	15,617.80
05/01	9,158.20	6,078.01	15,236.21
11/01	9,158.20	5,897.90	15,056.10
05/01	9,158.20	5,525.46	14,683.66
11/01	9,158.20	5,336.19	14,494.39
05/01	9,158.20	4,972.92	14,131.12
11/01	9,158.20	4,774.49	13,932.69
05/01	9,158.20	4,444.79	13,602.99
11/01	9,158.20	4,212.79	13,370.99
05/01	9,158.20	3,867.83	13,026.03
11/01	9,158.20	3,651.08	12,809.28
05/01	9,158.20	3,315.28	12,473.48
11/01	9,158.20	3,089.38	12,247.58
05/01	9,158.20	2,762.73	11,920.93
11/01	9,158.20	2,527.67	11,685.87
05/01	9,158.20	2,222.40	11,380.60
11/01	9,158.20	1,965.97	11,124.17
05/01	9,158.20	1,657.64	10,815.84
11/01	9,158.20	1,404.27	10,562.47
05/01	9,158.20	1,105.10	10,263.30
11/01	9,158.20	842.56	10,000.76
05/01	9,158.20	552.55	9,710.75
11/01	<u>9,158.36</u>	<u>280.86</u>	<u>9,439.22</u>
	\$ <u><u>329,695.36</u></u>	\$ <u><u>185,603.69</u></u>	\$ <u><u>515,299.05</u></u>



DEMIS and WENZLICK, P.C.

Certified Public Accountants

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COMMENTS AND RECOMMENDATIONS

April 27, 2005

To the Honorable President
and Village Council
Village of Webberville, Michigan

In compliance with the provisions of Section 11 of Act 2, P.A. of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Village of Webberville for the year ended March 31, 2005.

BUDGET

The state revenue sharing distribution law, P.A. 176, of 1980, includes a compliance requirement in budgeting. It is important under this act that expenditures do not exceed the budget. Expenditures include accounts payable at March 31. Budgeted expenditures cannot exceed budgeted revenues plus the beginning fund balance. During our audit we noticed several expenditures exceeded budgeted amounts. Care should be taken that expenditures do not exceed the budget.

BANK RECONCILIATIONS

Bank reconciliations must be prepared for the purpose of determining available resources in various funds. The bank reconciliation for the Joint Fund Cash Account was not being prepared, and there was no reconciliation to the Village's general ledger. There were checks recorded in the general ledger that were voided. We also noted that there were checks that cleared the bank, but were recorded as void in the general ledger. We found deposit that were not posted to the general ledger.

An important internal control over cash is the preparation of timely reconciliations of the bank accounts to the general ledger. We recommend all bank accounts be reconciled to the general ledger monthly.

We would like to thank the staff of the Village and Village Council for the excellent cooperation we received for this year's audit. Our firm would be most happy to assist you in any way toward implementing the above recommendations, or any other matter the board may wish to review with us.

Very truly yours,

Dennis and Leungliet, P.C.

Certified Public Accountants